CAFIC

File No. 294 A
1893.

Collection No.

KW
Simpson Residency

A printed copy of the correspondence is kept below.

5-2-47.

Pros. Serial Nos. 1 – 16

Subject.

Financial position of the L & M Station Municipality

Previous References.

F 294/93

Later References.

RESIDENT'S OFFICE.

Office Note.

FILE No. 294A OF 1893.

~~In file 294/93~~

At para 3 of S. 41 the G. of I. call for a "full account of the Munic.ᵃˡ taxation & resources & requirements of the station"

A

I understand that by "requirements" is meant requirements the cost of which would ordinarily be met from Munic.ᵃˡ funds & not, for instance, such things as public offices for the Dist: & 2.ⁿᵈ Mag.ᵗᵉˢ, Dist: Judge, D.S.P. etc.....

It is necessary to remember that the profession tax & the tax upon places where spirituous liquors are ~~to be~~ sold are sooner or later to be abolished -

In file. 294/93.

At S. 42 we asked (40) for information regarding the finances & requirements of the Station, and as regards the former requested that the information might be given "in the form of a resource estimate showing income & obligatory & normal expenditure year by year"

14/93.

294/93

With S. 49. Mr. Slight supplied the information called for & said that as remarked by him at. S. 43, the data on which it was based, were necessarily to a large extent hypothetical.

I now want office to take up this question seriously. This has not yet been done. With this end in view S. 49 & encls: may be temporarily removed from file (while the latter is being sent to Resident).

It should first of all be shown what the Municip: have in hand viz current & fixed Reserve - what the receipts have been for the past 3 years - the average of the same - & what may be expected this year - Next the expenditure during past 3 years, the average of the same, the probable expenditure this year & the probable balance Cr: at end of this year - In calculating averages, extraordinary receipts & expenditure should be excluded - & reasons given therefor. Next it is necessary to give an approximate estimate of receipts in future years, remembering that certain taxes will have to go up professn & liquor & that certain taxes will be imposed e.g. water & enhanced octroi. Next we want to know what the probable expenditure will under ordinary circumstances be & lastly what extraordinary expenditure is likely to be incurred or in other

Receipts 294/93

Sch. A

Sch: B.

Sch B

words. What are the requirements of the Station which we have hitherto been unable to supply. Mr. Slight's note may be taken as a guide but when it was written he had not received S. 46 and was, it seems to me, unaware that the tax on liquor &c. was to go eventually.

K.S.E
5/9

In file 294/93.

P.C.R.

Invite comparative Note

H 6/9.

Written - note Circd

NC 9/9

Offg is unable to add anything to the Report and Statements submitted by Mr. Slight, which appear to contain all the information required. Statt. A contains the actuals of receipts and expenditure for 3 years and shows the average based on those actuals. Statt. B shows the average receipts and expenditure exclusive of abnormal items = the receipts also exclude for instance Rs. 2500/- on a/c of the profession tax on

the Military and Rs. 43,610/- the average receipts from registration fees & license fees on excess sales of Beer & Arrack.

3. The average receipts thus worked out aggregate Rs. 2,36,049; to these Govt. might add such sums as may be calculated upon in the near future from the following sources of revenue:-

1. House tax ——— Rs. 10,172-
2. Inhabited Cottahs ——— 54,371 } 64,543
3. Water tax @ 6% ——— 61,034
4. Conservancy Cess ——— " 87,472 } 12,5,577-

The revenue from items 1 and 2 may perhaps be realised in 1898-99; that from item 3 cannot be calculated upon till the permanent water supply is an accomplished fact which will probably not be till 1900-1901. In the next 3 years therefore the Municipal revenue may be put down at Rs. 236,049 + 64,543 = 3,00,592, and thereafter at Rs. 3,00,592 + 61,034 = 3,61,626.

6 Turning now to the expenditure - the average annually is estimated at R. 286,135: to this must be added expenditure that will have to be incurred unavoidably almost in the near future, the items are: -

		R.
i.	Cost of water supply	70,000
ii.	B. C. Hospl improvements. Est: as R. 48,000 to be raised @ 5%	2400
	add annual exp[e]	6000
		8,400
iii.	Drainage Scheme - Est: as amt: to be raised @ 5% — 40,000	
	Replacement	10,000
		50,000
iv	add[l] expenditure in consequence of Curtailment of Octroi	6,592
	This gives a total of	R. 134,992

7. As regards the above items something must be said: item i will not be incurred till about 1900-1901; and all considerations of item iii may

the deferred bills then; eliminating these two items, there remain items ii and iv which aggregate Rs. 14,992; if this be added to the average expenditure the total charges for the next three years may be put down at Rs. 286,135 + 14992 = 301,127, against an average revenue of Rs. 300,592, and after three years at Rs. 301,127 + 300,592 + 120000 = 421,127 against a revenue of Rs. 361,626: that is to say, the revenue will be short by Rs. 635, bills 1900-1901 and thereafter short by Rs. 59,501.

8 No provision has been made in the above calculations for:-

(a) New works of any importance

(b) Staff for fire brigade.

(c) Telephonic comm^{n} with police stations

(d) Salary of medical officer.

We shall reckon (a) at Rs. 20000, (b) and (c) at Rs. 2000, and (d) at Rs. 2700 per annum, in all Rs. 24700 in

additions to what has been estimated above -

9 Rs. 20000 for (a) Lessons every light and eight be reduced by one half: but Library & Slights estimate the excess expenditure over revenue for the first three years will be Rs. 535 + 24700 = 25235 and thereafter Rs. 59,501 + 24,700 = Rs. 84,201 - But it must be borne in mind that the G. of India have promised a subvention from the Imperial Treasury to compensate for the abolition of the registration and excess fees referred to ~~above~~ in para 3; what this will be it is impossible to say

10. The revenue Receipts (current & fixed account) of Municipal funds at the end of 1897-98 has been estimated in the Sanctioned Budget at Rs. 1,18,471. This has already been drawn upon to the extent of Rs. 6,788/, and by the end

of the current year may possibly be reduced by another $5000/ Loan. Then it is a comfortable Reserve to fall back upon.

Besides the items in page 8 there is another which we might touch upon. If money is to be raised for the B.C. Hospital and the Drainage Scheme some provision must be made for a Sinking Fund; the interest on the loans is put down at 5%. Perhaps we might anticipate that 1% is to go towards the Repayment Sinking Fund. If so, all right.

Submitted

C. 10. IX. 97

(Continuation of Note or Precis).

12. I have gone thro' Mr. Slight's letter & statements - Statement A. gives only "actuals" & therefore is not open to criticism. I note that the actual receipts for 1896-97 were higher by more than Rs 20000/- than those of the previous year - This was due to an increase of more than Rs 11000/- under "Conservancy", an increase of about Rs 6000/- under "Profession Tax" (the reason is not known - the receipts for 1896-97, tho' larger by 6000/- than those of previous year, are smaller by Rs 2000/- than those of 1894-95.), an increase of about Rs 3000/- for "fees" on Municipal property etc. and an increase of Rs 2000/- under "govt grants"

13 Turning to the expenditure side of Statement A I notice a steady increase under "New Works" and "Repairs" and "Conservancy" & also under "Establishment" at "Head Office and for "Assessment & Collection"

The annual expenditure has for these & other reasons increased from Rs 223997 in 1894-95 to Rs 308641/- in 1896-97.

14 Formerly the receipts were more than the expenditure but last year the latter exceeded the former by Rs 6000/-

2 during the current year they are budgetted to exceed by Rs 10000/-

15 Taking however the averages for the last 3 years we find expenditure less than receipts by Rs 30000/-

16 Turning to Statement B which represents the resources and necessities of Comm:- under normal conditions I find that it has been on the whole fairly well drawn up.

17 Mr Slight expects Rs 9886/- from profession tax - He has ~~deducted~~ not taken into account Rs 2500/- we used to get from Military but it seems to me, bearing in mind the G.of I. letter, that he should leave out receipts under profession tax altogether - This tax is to cease

Eliminate Rs 9886/-

18 The tax on horses etc is rightly given at Rs 50862/- and all mention of lighting tax is omitted - But since Mr Slight's memo was written the Comm:- have proposed to raise the tax on horses etc by 1 per cent on annual value in order to counteract the loss incurred by them by abolition of "lighting tax" The increase proposed by Comm:- will probably be approved by Resident after the prescribed procedure and I think we should ~~enter~~ increase the entry under tax on horses etc by Rs 10300/- making in all Rs 61000/- instead of Rs 50862/-

Add Rs 10300/-

19 liquor license fees etc have been rightly omitted as they are eventually to cease to be levied as ordered by Govt.

20 Under "conservancy receipts" the actuals for 1896-97 have been rightly entered as a new system came into force that year.

21 Interest on fixed deposit - The average for last 3 years has been given. I am not sure that this is correct but the amount is very small.

22 The same remark applies to "Govt grant" which ~~has~~ was I believe raised in 1896-97

23 Mr Slight estimates normal future receipts as Rs 236049/- and it seems to me that notwithstanding the two mistakes I've pointed out this is fairly correct - It is Rs 66000/- less than the actuals for last year but this is due to the contemplated abolition of profession tax, & liquor license fees etc.

At the same time it must be remembered that this tax & these fees are now to be immediately abolished.

Turning to the expenditure side it seems fairly correct. I do not understand the Rs 600/- per annum on

"Fire Engine" while the Rs 46407. under "Repairs" seems liberal.

24 The estimated normal expenditure exceeds the est?. normal receipts by about Rs 50000/-

25 It remains to be seen what extraordinary receipts & expenditure are to be anticipated.

These may be placed under following heads:

Water Supply — B. C. Hospital — Drainage — and Extension of Behoi.

Water Supply — Receipts (water tax). Rs 61000/- — Expend^re Rs 70000/- — } Deficit Rs 9000/-

B.C. Hospital — Cost of building Rs 48000/-

Maintenance after enlargement Rs 6000/- per annum — Receipts Nil. — } Deficit Rs 6000/-

Drainage — Initial cost Rs 8000000/-(?)

Annual maintenance Rs 100000/-? — Receipts Nil? — } Deficit Rs 100000/-

Extension of Behoi — Receipts. Rs 54000/- — Establishment Rs 6500/- — } Surplus Rs 47500/-

In other words the estimated extraordinary receipts per annum exceed est^d extra^y expend^re by about Rs 22000/- & consequently the difference between expenditure and receipts given in Statement B must be reduced by

I see this is mentioned in para 18 of Mr Slight's memo. as "contingencies"

KGK

this sum - and the excess of expenditure (normal & extraordinary) over receipts (ditto) will be about Rs 28000/-

26 We have got a gift of water supply - but where is the money for improvements to Hospital and for drainage to come from? Will G. of I. give it or at any rate for drainage? If they won't, then the Municip must borrow & the cost of so doing at 4 per cent (from Govt) + 1 per cent for repayment Sinking Fund will be as stated by Mr Slight viz Rs 2400/- per annum for Hospital and Rs 40000 for drainage.

27 Adding these two figures to the Rs 28000/- above mentioned we get Rs 70000/- as excess expenditure over receipts for a good many years to come.

28 Mr Slight asks for a Lakh of rupees from Govt to meet the above excess of expenditure over receipts & to provide money for " new works Rs 20000/- " staff for fire Brigade Rs 2000/- and " salary of Medical officer (about Rs 3000/-).

under "new works" in will be noticed vide Statement B that he has entered Rs 13469/- in addition to Rs 46407/- under repairs" & I doubt if more is ~~Perhaps~~ required. ~~Perhaps~~ the Rs 2000/- for "fire brigade" is necessary although there is not to be a fire engine but only hose but please see Section 165 of the Law

2. Our estimates are probably liberal - and perhaps it will suffice to make out a case for some Rs 30000/- a year from Govt if they agree to find the ready monies for B.C. Hospital & drainage.

KSE

28/9.

FAR

I'll ask Treasury to arrange any time before we go into Camp. The line I propose to take is merely to ask the H of L for a subvention to the amount of the Excise Revenue they are forgoing as a temporary arrangement. In order to restrict the subvention as much as possible we propose to give the Liquor Trade a year's notice to terminate it. We shall be glad to have your views on this proposal & to receive your suggestions & conclusions which seem to me somewhat extravagant. It would be as well to point out that I am unable to deal with the question of French Treaties - we do not know what the effect of the introduction of Velvril here. The introduction of a drainage scheme has not been finally considered: while the costly maintenance of the Irish Shannon & drainage schemes must be taken into account in the estimate of our resources

Letter from Francis Dyke Acland to HHA, 9 Nov 1907

In Treasury necessary in order to give effect to proposals in connection with the Liquor Trade. It is desirable to take the sense of the Cabinet thereon as well as on the Address.

9.XI.07

dl 2

31 The Foreign Dept's reply to ~~his~~ ~~No~~
No 745 - D. A. 7 the 17th March 1898 is
submitted for favour of orders

AJ.
25.3.98 HF.

25/

D...
32 — copy to Pleased for favour early report
please let me know that I may know
what early I can say & may know his
report by then - His reply when received the
details of temperature & other municipalities
should be obtained to use the same for purposes
of comparison

OC

26/3

To all

HF 28th. for April.

H/28/3.

Municipal Office
is going to submit
note on this front.
HC. 19/4.

S. 88-8
Sl. 4

33- Chi Prest. letter No 616 dy.
26 Apl 98 ex. submitted fr forms
of orders, with/references marked
A/
30/4.

34. Has any attempt been made to check the figures in the comparative statement showing incidence of taxation per head in various Municipalities? How are the figures for Bangalore arrived at and are they correct? Are the other figures correct? Early Tues. 1/5

35- Reports have been obtained from the Municipal Offices to check the figures which have been found to be correct. Those fr Bangalore are also correct. In arriving at the Incidence of Rs 2.15.5 fr 1896-97 the Municipal Offices fr Bangalore, 1.10.8 have not taken into account the fixed registration fees, Income fees received etc fr 1896-97. which amounted to Rs. 44.913 + Rs. 600 fr

o
will be subt.
if I. A Rest. wishes
to see them -

In registration of Cards: these items are not considered taxes: If they were taken into account the incidence would then R. 2-2- instead of R. 1-10-8

Lahaulis

K 3/5

36 To Resident for orders as to whether any further information is required KSE 3/5.

37 In calculating the incidence of taxation in municipalities it is usual to include in return water and conservancy rates for which a special service is performed - If this info is not available in Office - or in the usual Office form published reports - please enquire from 5 or 6 other municipalities -

38 Should not - Are the others included - the Reporter may be excluded from the calculation of incidence?

39. Finally are we to calculate on an entirely principle basis when we enter 1,00,000 as the income of the others ~~then~~ then being at present nothing to them, with any guidance

accuracy, which instructions likely to bring in Camp Clerk Lachiya, Lobis & Servants from 8 E/ upwards to Bangalore - MG

4/95.

MG. 6.V.95

40. After consulting Captain Baker Secretariat answers & the Revd. queries, I may mention that Mr. Speight agrees with what Captain Baker told me.-

Para 37. —. It is usual to include boats & conservancy rates in calculating the incidence of taxation - See for instance page 67 of Madras G. O. No. 2858 dy. 31. Dec. 97 put up below.

This seems correct. Vide pages 37 & 67 of Madras G.O. KSE.

Para 38. Professional taxes cannot be excluded unless an Act

But Govt. have said they want profession tax to go. KSE.

10000 Rs. is added to Octroi -

Para 39. - The Municipality must

Get another 1 lac, and if they

cannot get it from tobacco

Oil cow tanned & raw Piece

goods etc. proposed to be

taxed, Lower Slab Rates

must be added.

HL 10/5/98.

41. Submitted for orders. Please see margin - It is impossible to say what octroi on the new articles will bring in. and until this is known we can not dispense with Profession tax.

KSE
13/5.

Res

42. What is the increase of taxation on foreign articles - (b) What the income from Excise taxes - I understand that in the case of other articles which formerly the Profession Tax was abolished. Is this correct - If so why is the latter included in the Estimate?

Mr Chatterjee note gives me no help whatever -

Why another Lakh - as they now get 45000 odd & this hope to double this figure i.e. make it 1 Lakh

KSE.

43 I do not understand what is meant by another table.
Will not the assessment of the Income Tax Commrs
form an extended check in every case which they
will have by being inserted in the Excess Revenue. The
Table supply expenditure should be balanced by a table sho-
I should like know something about the incidence in
some of the Northern Towns where they have a table supply.

Ex-Expr. Edinburgh - Carnforth - &

44 How is the incidence in these towns calculated.
Look for evidence of Treasy. pop 90609. Appendix VIII
Col 5. Total Local income 167396. How do you
know £2 - 10 shillings? The calculation is
doubtless correct but on what basis is it made? -
why from Col 5 of Appx VIII differ from Col 4 Appx IX

VK
VK?
16-V-95 Edwd Hamilton 15/5

VK 18/5

45. I am very sorry my previous note was of so one sided Rentent. I will endeavour in this to be more explicit. To do this I give below the Resident's note of the 15th in Sections and my replies in three Sections —

i. What is the incidence at present (a) with + (b) without the income from Excise Sources?

Working on the actuals for 1896-'97 the incidence is as follows:

Total as per Statt. prepd with Resdt's letter of 26. Apl — 167,316

Add:- Regn. fees — 13,249.
Excise Sales on beer and arrack — 31,064 — 44,313

Local Cess — — — 25,925

237,554

÷ 100081 = 2-6-0

without Regn. fees &
Local Cess at 5% the — 1-10-8

ii. Understand that with an Octroi W. would yield 100000 the proposition that would be abolished. Is this correct? If

Please see in this connection para 20 of the Resdt's note at S. 88 where he states that the basis for the abolition of the profession

(Continuation of Note or Precis).

So why is this latter included in the Estimates?

(iii.) I do not understand what is meant by another Lakh - Will it suffice if the Municipality get an Equivalent from an enlarged Area i.e. enough to meet what they will lose by being excluded of their present Octroi Revenue?

10000
45629
55629

Can be not arrived, that in view of the general revision of Taxation to be made it is probable that it may be abolished - in which case the loss from this source must be made up in some other way.

Please read my note of the 10. May either the word another" - it was misleading The present Octroi revenue amounts to abt R. 70200 inclusive of R. 26000 from Local Cess - The additional income from Octroi is estimated at R. 54300; Let this against the R. 70200 now have a deficit of R. 15900 - If the Octroi revenue be realised without the income from Local Cess, then the Municipality loses 44000 & gets 54300, W. C. give a surplus of R. 10300/- Both according to the Precis

Koli – para 15 – an addl
sum of R. 59,500 be allowed
provided annually towards
the requirements of the Station
and this does not include
any provision for new works &
about the Local Cess – By making
the enquiry in F.C. letter of 17 Sept 2
Mar: '98 the G. I. Cess appears
intend that the revenue from this
source shd be withdrawn with the
Rep. fees – if this is their intention
the Mil. revenues will lose R. 26000
more, and the deficit then be
raised from R. 59,500 to R. 85,500/.

This seems likely but we never thought this was intended – If it is to go, Statement B will require alteration – I remember when Govt. of India proposed taking excise revenue, Mr Young protested saying withdrawal of 42000/- would seriously cripple the Municipalities. The letter is in mainfile at one time.
KGE

(iv.) The Water Supply expenditure shd be balanced by a water rate.

Yes – It is estimated to yield R. 61,000 – V. para 13 of Precis & Note

(v.) I should like to know something about the investment in some of the Northern towns where they have water supply, i.e. Agra Allahabad, Cawnpore.

15/a 889

Please see Chap. of Sanitation in Agra & Cawnpore are shown if Recd. Still want similar information as regards Allahabad it will be applied for. Details wise is not available either

in this or the Municipal Offic

(vi) How is the incidence in the Madras towns Col. calculated? Look for instance at Trichy. pop: 90609. Appendix VIII Col. 5 Total Income. income 16,73,96. How do you make out this? The calculation is doubtless correct but on what basis is it made? ~~Look under Col. 9 of App. VIII and refer from Col. 9 to App. VIII?~~

Please see Col. 5 of pages 66 and 67 of the Madras G. B. Volume — This Column shows the income from "Municipal Rates and Taxes". the Total against Trichy is R. 7,24,59 just what is shown in the Provl. Total at S. 15(a) Cur. Please see Col. 13 of page 71 where the incidence (on Group 5 of page 67) is shown at R. 0-12-10 i.e. 7,24,59÷90609.

It will be seen from Col. 13 that the Madras Govt: work out the tax incidence on the basis of direct taxation apart from other sources of income. The Provl: Govt. C. P. followed the same procedure in his Total. There seems to be no question as to the propriety of this procedure as compared with that of working out the incidence

on the basis of total income when it is remembered that there are so many varied sources of income apart from taxation

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(vii) Why does Col. 5 of app. VIII differ from Col. 4 of app. IX?

Col: 5 is total Municipal income excluding deposits and balances, and Col 4 is income from taxation only excluding Cattle - If in the figures in Col. 5 of app. VIII be added "Deposits", the total income excluding O. Balances will be found at Col. 11 on page 71. R. 1740000.

Submitted.

19. V. 90

16. I think Mr. Clarke's note is correct - The G. of I wished the profession tax to be abolished (vide para 6 of Serial 1). Mr Slight at S 1/C showed that this brought in on the average some 12000 a year. At 1/d he reduced this to Rs 9800/- for the future for reasons given by him viz militarys not to be taxed in future. Mr. Slight assumed that the tax would not be abolished

& on this assumption put normal expᵉˢ as exceeding normal receipts by Rs 50000/- If the tax were to go, the expᵉˢ would exceed receipts by about 60000/-

He then showed what exhaordinary expᵉˢ was before us - He put this at about 1,35000/- i.e. he said that the normal + the exhaordinary expᵉˢ would exceed normal receipts by 185000/- How was excess to be met?

He suggested increase in house tax 10000.

Water tax 61000.

Extended octroi 54000.

Total 125000.

Thus we would be 60000/- out a year - even if profession tax remained - and about 70000/- if the tax went -

The President, tho' he said at para 7 of S 85 that proposed octroi was to take the place of profession tax, adopted Mr. Slight's figures as to normal receipts & expᵉˢ i.e. roughly, the latter 50000/- more than the former. He could say no more because it was impossible then (and still is) to calculate what octroi would bring in.

Which included profession tax at about 10000/-

The G. of I letter suggesting abolition of profess: tax is in main file at 005 - I don't think this pressed for in very strongly, but if it goes the Municᵖ will not go bankrupt of Rs 10000/- and if they are likely to, we can always ask for assistance -

As I've just said the slight anticipated expenditure exceeding receipts by 60000/- if profession tax remained & by 70000/- if it went - If Govt take local cess, (some Rs 26000/-) it will be serious & our deficit annually will be nearly a Lakh - Mr Young did not think they intended to - please see his letter to Foreign in main file written in reply to their letter saying they wanted the whole excise revenue.

KSE
24/5.

Rem

47. Please see - check - & general despatch of D.O. to Sir W. Thompson - If they do something proposed it will [illegible] the necessity for the submission of the report which made necessity - abandoned - be incomplete - But please find out what is being done about the introduction of the orders. The matter seems to be very pressing unfortunately

Mr Clarke, Check carefully the report results before despatch Thing Checked 4/6/7 Then resubmit with note about

4.7.25 MK

48. As regards the extension of the Octroi, a joint Committee sat on the 29: Mar: last, the Meeting was adjourned to 5: April. in order that objections might be heard in person. — Jam told that the objections were heard and it was decided to recommend that, with slight modifications, the taxes as originally proposed be introduced. On the 16: April a Meeting of piece goods merchants was held at the Mayo Hall. — On the 16: May a deputation was received by the Presidt. of the Council & City Municipalities, when the subject of imposing Octroi on Piece goods was discussed. — It was then decided to obtain information regarding the import of piece goods, from the Madras & S. Mah: Ry. Companies. The former latter have supplied the in-

Jerusalem acknowledges the letter. Have not yet done so. This is how the matter stands at present. Submitted

49. 6/7/98 Issue Reid's letter - Fit. Returned [illegible] 6-7.

50. D/o. of the Foreign Secy. issued. Cir. returned with For: Office endorsement of 24. June forwarding Reid's Copy of a letter from the S. of S. P.W. Dept to the Dir: Genl. Mily. Works requesting the grant of £. 20000/. towards the Cost of building the accommodation in the B. C. Hospital.

If approved the Municipality may be informed of this Conclusion?

Subs? for Secy of State

6/7/98

51. Please see ~~Secta~~ para 47 supra. The d/o has issued. As regards Ochoa Comm[n] see para 48.

I may ask Mr Slight officially how matter stands

As regards Serial 6 ~~(which you have not seen)~~ KSE.

propose to write to the President that as the

sd S—

se. 6

Yes & please ask that the matter has always been along time under discussion & no further delay shd be allowed

request of the Resident the G. of I have been pleased to give a contribution of Rs 20000/- towards the cost of increasing the accommodation in the Bowring Civil Hospital & have requested the Director Genl Military Works to pay over this sum to the Municipality. A copy of S. 6 may be placed in Bowring Hospital Extension file.

attended to

KSE
8/7.

Reg^n

52. Please do as per proposal
RL
8/7

8/7

Two drafts submitted for approval.

RL
12.7.98. KSE 12/7

Letter to the President issued - SL 7

53. With Sl. No. 52, the President forwarded a copy of the Commissioner's resolution of the 28th July tendering their thanks to the Govt. of India for the grant of Rs 20,000/- & desiring that the amount be devoted to the construction of Out-caste & Surgical & Medical wards at a cost of Rs 10,000/- each, as provided for in

in the general scheme for the extension of the Bowring Civil Hospital. It is stated that arrangements are in progress for the construction of these wards.

54. Office N. 141/93 which contains the scheme for the improvements of the hospital is not now in office, so that the office is unable to say what the wards were originally estimated to cost. The details of the Commrs may be conveyed to the Govt of India, a copy of the resolution being sent.

Submitted.

A.S. H.C.
12-8-98.

55. Draft to India submitted for approval.

K.S.E
27-8.

Rejn

Letter issued - Sl. N. 9

56. Sl. N. 10 from the President, Municipal Commissioner stating that, if approved, he recorded

57 The contribution of Rs 20000/- made for B.B.C. Hospital improvements has been received by the Municipality. It seems unnecessary to know the details in as much as the money is the

spent

spent in the construction of the works referred to in se. N. 8 A

A.S.
8-9-'98

57 D.O. letter dated the 29th August 1898 from the Foreign Secretary being on receipt of Res. No. 89, is submitted for favour of orders.

D. 95 11

58 In this letter, it is stated that the withdrawal from the Municipality of the Excise revenue cannot be postponed beyond the close of the current year, & that the report called for in se. N. 2 as regards the financial position of the Municipality & the taxation to be imposed, should be submitted with as little delay as possible.

60 File No. 12 of 1890 relating to the extension of sewer system is linked herewith for orders.

A.S.
8-9-'98

61. Please see linked file on which orders appear to be required first
12/9.

Res.

62. Receiving tel: fr Foreign in which I pressed an opportune visit to Plague = I will answer this D.O. when I land in Mt Estimate. Thus

Copy in file marked S. 96.
13/9
Schedule 19 Kept

occurrence of Plague has entirely changed
the aspect of affairs & renders the Q?
Come to the rescue the Municipality with the
borrowings by the end of the year -
When reporting I shall want the file
regarding apportioning Plague charges -
on the 20: please send a D.O. marked
Secret to Mr: Slight enclosing letter from
the Chairman of preliminary estimate
Mr Clarke wants for that Union which
is to be overhauled.

Title 205/97

12.9.98 N.B. 12/9.

63 Ltr D/O to Mr Slight Sec.

20/9.

64 D.O to Mr at Mr Slight issued. 21/9. D.N. 97

105 reminder was sent to Mr. Slight
on the 26: Sept 1898 (28.98)

Separately Kept

66. The reply from the President, Municipal Commission, in regard to plague expenditure has now been received & noted upon in file No. 205/97 herewith linked for favour of orders

67. Please see order in para 62 of note. An approximate estimate re plague has been promised by the Foreign Dept (vide Sl. No. 96). The D.O. from the Foreign Office (Sl. No. 11/95) is pending an answer. Submitted.

AJ.
28.9.98 RL 29/9
(10 p.m.)

68. At para 62 the Resident said he would answer S. 11/95 when he got the approx. estimate of plague expre. The file below gives the latter but the other question is still undecided & it will be difficult for us to give a clearer exposition of the financial position of the Municip.

Ross 6/10.

Rest

No. 6348 dated the 11 (15) January 1918 from the Collector, Chickballapur regarding the want of provision in the Bangalore Municipal Law for the demolition of insanitary buildings.

Note on financial condition of Municᵃˡ

File 294A
93

It does not seem necessary to recapitulate all that has gone before.

The following letters (placed at the bottom of the file) show what gave rise to the correspᶜᵉ in this file.

In file 294
97

sl 34 From Foreign Nº 2997 I.A dtd 26 Septr '96.
From Resident Nº 4101 dated 13 Novr 1896.
sl 41 From Foreign Nº 2231 I.A dated 12 June 1897.

In the latter a full account of Municᵃˡ taxation and resources was asked for. This was furnished at S. 85!

and a reply was received at S. 86. It is the latter letter that we now have to answer. Materials are to be found in Serial 88 & in the office note.

Acct to Foreign's dfo telegram Excise contribution will be taken away from Municᵃˡ with effect from 1st April ne

In S. 86. the G. of I, apparently not satisfied with S. 85 and enclosures, asked for (i) a clearer exposition of the financial position of the Municipality with (ii) the Resident's views as to the (re)sources from which any necessary funds should be raised when excise revenue is withdrawn. They further remarked (iii) that before a subvention could be agreed to it would be necessary to show conclusively that the Municᵃˡ

work bearing a reasonable quantity of taxation and that no measures has been omitted which might secure financial equilibrium without extraneous aid - Special attention should be paid, they observed, to the incidence of taxation per head of population as it seemed it was lower in Bangalore than in other stations and sanitaria of equal importance. Lastly (IV) they enquired about the nature of the local cess on arrack, toddy & ganja & asked whether it was paid to the Municipality or not. As the Resident is aware, the disposal of this question has been awaiting a reply from Mr. Slight to S. 23 and 24 of file 12 of 1890 re extension of octroi - A reply is still awaited - I saw Mr Slight at his office on Thursday & he promises a reply shortly. He says that the Munic: Comm:rs agree to tax all the articles viz kerosine oil, timber, tiles & piece goods & that if their resolution be approved by you and not objected to by Govt (qua especially kerosine oil) he expects an extra Rs 50000 or 55000/- against which must be set increased establish: costing about Rs 6000 or 4000 KSE. KSE. Assuming that you sanction the

imposition of the tax the procedure laid down in Section 44 clauses (7) and (8) will be necessary - This will take time: it possible that the tax may come into force from the 1st of June or July next.

The Excise revenue is to be withdrawn i.e. the registration and license fees - This has been definitely settled - therefore it is unnecessary to revert to the circumstances under which they came to be credited to the Municipality - They were given freely on the condition that the Munic: paid $\frac{1}{3}$ of cost of police: some 10 years later the Munic: was relieved of this share of police charges & was permitted to continue to receive the registration & license fees provided it satisfactorily maintained the Bowring Hospital In other words, there was "a quid pro quo" In return for excise contribution the Munic: were to do something & this "something" as last arranged was the proper maintenance of the Bowring Hospital - The question whether, now that excise contrib: is to be withdrawn, the Munic: are to keep up the hospital need not be discussed especially as the G. of I have recently given Rs 20000 towards enlargement of that institution.

I pass on therefore to the G. of I letter at S. 86 in which they ask for more inform: - First of all, they want a

Clearer exposition of the financial position of the Municipality

This is not very easy to give. The position changes from time to time. At S. ~~85~~ we gave them actual receipts & expenditure for 3 years & the averages based on those actuals. We also told them that at the time we wrote the Commrs had a balance in the Bank of some Rs 85000/- I have obtained from the Municipal office the actuals for last year & submit a statement accordingly. It will be seen that whereas in 1894-95 and 1895-96 the receipts exceeded the expenditure by some Rs 60000/- and Rs 30000/- respectively, in the 2 following years expenditure has exceeded receipts by some Rs 6000/- and Rs 10000/- respectively. It may be said, taking actuals for last 2 years, that receipts & expenditure about balance each other i.e. that roughly both come to about 3 Lakhs. Had it not been for the plague which has swamped up the reserve, and but for the decision to withdraw registration and license fees, the Municipality could have got along fairly comfortably - For small items of unforeseen or extraordinary expenditure they could have had recourse to their reserve while the extension of octroi and consequent

revised Statement A

increase of revenue would have enabled them to provide
not only the extra establishment in connection therewith
but also for extra estab.ts required in consequence of the
enlargement of the Bowring Hospital. Again this increase
revenue by extension of octroi would have enabled them
make up the difference between proceeds of water tax
cost of maintaining water supply which, I shall show
later, is no small amount – I repeat that had not the
plague unfortunately appeared & had not the Govt of India
decided to cease giving the Munic.ty the registration &
license fees on liquor, the Munic.ty with the prospect of
an increased revenue in consequence of the extension of
octroi would have conducted it's affairs (to quote Mr.
Slight) "in a manner befitting the importance of the
Station" But the Govt of India are going to withdraw
the Excise contribution with effect from the 1st April next
& it is necessary to see what the position of the Munic.ty
will be then. [In accordance with the directions of
the Resident I say nothing for the present about the
plague & the financial chaos it has caused. I will
assume that the Munic.ty have still got more or less
the same balance with their Bankers as they had when

the Resident wrote S. 1/85.] The Militars are exempted already from paying profession tax and with effect from the 1st April next the Municip. will get no Registration or license fees. The Govt of India impose no extra expenditure on the Municip.: they merely lessen their receipts. What will be the effect of this? Mr. Slight has shown at Statement B. (encls. to S. 1/85) that the exemption of the Militars from profession tax means a loss to the Municip Comm^n of Rs 2500/- while the withdrawal of Excise contribution means a loss of about Rs 43500/- In other words the Municip revenue will be diminished by some Rs 46000/- while the expenditure will remain the same as at present by about 3 Lakhs a year. i.e. the receipts will be short each year of the expenditure by Rs 46000/-

Attention is now invited to Mr. Slight's Statement B (already quoted). The figures he gave were for the most part based on the averages of the 3 years ending 1896-97- all differences were explained by him. There is nothing

in the actuals for 1897-98 (now available) that necessitate an alteration of his figures but for comparison a revised statement B based on the averages of the four years ending 31 March 1898 is prepared on the ____ principles as Mr Slight's is submitted – This has been shown to & accepted by him. It will be seen that the receipts amount to Rs 2,38,864 while the expenditure is Rs. 290229-7 the difference being Rs 51,365-

Effect has been given to the orders of the Govt of India exempting the Militias from profession tax, to the provisions of Section 41 of the Law, pro exempting four buildings from any tax & to the decision of the G. of I to discontinue the Excise contribution

It has now to be considered in what way & to what extent the receipts can under the Law be increased beyond the amounts mentioned in revised statement B & what expenditure other than that mentioned in their statement will have to

be incurred by the Municipality. I will deal with the receipts first - It is obvious that if we are to have an increase it must be under rates and taxes". Sections 41 to 43. of the Law may be read

Section 41 contemplates

(a) a tax on buildings & lands not exceeding 10 per cent on the annual value.

(b) a profession tax.

(c) a tax on vehicles, animals & dogs kept in the Station

(d) a tax on vehicles and animals entering the Station

(e) an octroi on animals or goods brought into the Station for consumption or use therein

(f) any other tax.

In Statement A mention is made of a lighting rax bringing in over Rs 12000 a year - This was permitted under the old Regulations but is not mentioned in the new Law but is supposed to be, and is, included in (a) supra - The law permits of a tax on buildings & Lands up to 10 per cent on annual value - The present tax is 6 per cent viz the old 5 per cent on ~~the~~ houses and 1 per cent for lighting. This brings in Rs 62000- ~~and according to Statement B~~

The profession tax is in force and

according to revised Statement B brings in Rs

The Comm^r are believed to be averse to taxes under (c) and (d) i.e. on vehicles, animals & dogs & consider that the amount would be hardly worth collecting looking to the cost of the establishment required - As regards Octroi (or "Town duties" as called in Statement A) this brings in Rs 44,020 a year & when it is extended to such articles as timber, piece goods, kerosine oil & tiles (as contemplated) an increase of Rs ~~50000~~ 55000 is expected

taken from Statement B

Under Section 42 a tax of 2 per cent on annual value is imposed on owners of horses bringing in about Rs 20,000 a year and under Section 43 a water tax of 5 per cent on annual value is about to be imposed which will bring in about Rs 45000.**

Transfer of the incidence of this tax from occupiers to owners has been established but has not yet come into force.

This is less in proportion than what is obtained by other taxes on buildings & lands because houses occupied by military officers have to be exempted as well as those beyond a certain distance from points of delivery of water.

It will thus be seen that taking into consideration the tax under Sec 41 (1) A (a) at 6 per cent, the Scavenging tax at 2 per cent and the water tax at 5 per cent on a total of 13 per cent

the house owner is sufficiently taxed & it is not considered advisable to raise the tax on buildings & lands any higher than at present tho' the maximum permissible has not been reached.

The receipts under Rates & Taxes may therefore when the Water tax & extended octroi are introduced be ~~put at~~ stated as follows in lieu of those in revised Statement B. viz.

		Shown in Statement B
Profession tax.	9,607	9,607
Tax on houses buildings etc.	62000	51298
Scavenging tax -	20,000	15000 (under "Conservancy receipts")
Water tax Rs 45000	45,000 @ 5%.	
Town duties (on Octroi)	100000	44,020
	2,36,607	119,925

thus providing an increase in receipts of Rs 1,16,682.

I turn to probable increased expenditure - To maintain the water supply it is estimated that a sum of Rs 65000 will be required annually

This it will be seen is larger than the anticipated revenue from the water tax - The extension of the Ochoi system will necessitate the entertainment of an extra staff costing, it is stated, Rs 6,592 a year while similarly the enlargement of the Bowring Hospital must be followed by an increased staff which will cost Rs 13,000 a year. These three amounts must be added to the figures on the expenditure side in the revised Statement B - The total anticipated receipts will then be Rs 3,55,546 and the expenditure Rs 3,74,821 showing an annual deficit of Rs 19,275. - It does not seem advisable to impose any additional taxes.

Cl
Dist
Treasy

As regards incidence of taxation per head of population reference is invited to S. 15 and its encls: The figures relating to Bangalore are

based on the actuals for 1896-97. A revised Statement is attached based on actuals for 1897-98 & on the taxation as proposed just above by under Sections 41 to 43 of the Law.

As regards the G. of I's request for information as to the nature of local cess & as to whether it is or is not paid to the Municip; they might be referred to their letter No. 984 I dated the 23rd March 1886 (S. 43 file 191 of '85) and informed that the amount is included under head of grants and contribs by "Government". This cess was transferred to the Municip partly in consideration of their having taken over charge of Primary Education & partly to assist them in carrying out works of Conservancy in the Station - The amount during the

Encls: to S. 88. but I don't know why profess tax is not included - It is a tax.

past 4 years was

1894-95	26,041
1895-96.	26,012
1896-97.	25,925
1897-98.	22,209

4 | 10018 | 4

I do not suppose 5 there is any intention to withdraw this from the Municip. If it be withdrawn, the position will be proportionately worse.

From the above it will be seen that when the water tax is introduced, when extension of octroi is completed & when the Excise contribn is withdrawn (the last takes place on 1. April) the Normal expenditure will exceed normal receipts by Rs 19000 or so. This is sufficiently serious seeing that extra taxation seems impossible. Again until the water tax is introduced (& it will take a little time) and until the octroi is extended the position will be still worse. The outlook would be less gloomy if the Municip had a reserve to fall back on but it has disappeared This brings me to the havoc caused by plague. It has not yet been decided what share of plague expendre the Municip is to bear. I understand the plague expendre up to end of Dec: amounted to about 1 lakh. and up to end of current

month another Rs 60000 or so - Assuming that Munic^s have to pas 2/3 of this Rs 160000/- i.e. say 1 Lakh this will at once swamp their reserve and a bit more. The Munic^s will then have still to face future plague expenditure - What this will be from 1st Feb^y to, say, end of calendar year it is impossible to say - a moderate estimate would be Rs 20000 and Rs 10000 a month for alternate months i.e. 6 months at 20000/- and 5 months at 10000/- or a total of Rs 170000. Two thirds of this will be nearly Rs 1,20,000. The impossibility of the Munic^s passing this without borrowing is apparent when it is remembered that under the most favourable circumstances & when all their arrangements re water tax & other extension are complete, the normal expenditure must exceed normal receipts by Rs 19000- Assuming that Govt pas all plague expr^s the Munic^s will start the year with a fair reserve which will in the course of some 4 years & under normal circumstances be expended in balancing expr^s & receipts.

KGE
21/1.

Urgent

FAR

Minutes per this Note- beg drft Mr Vaquil Consult checking & submit within Immediately being anxious to finish this before leaving Nagpur Unless any material change is necessary in the arguments used please submit with draft for my & Secy's signature so that draft may be sent to the Foreign Dept on the reply Note- Shall then Mr Vaquil call off the Lahore & Mooltan - Wire to Mr W.J.C when letter is despatched & Lahore Commr. Then Mr Vaquil may call the Conference

I presume about the B.C.H -

25/1/19 Plague Commr

NOTES AND PRECIS.

S. 6.—R. P. B.—2-1918.—2,000.

From the Assistant Secretary to the Government of India in the Foreign Department to the Resident in Mysore, dated Fort William, the 17th March 1898, No. 745 I/A.

I am directed to acknowledge the receipt of your letter No. 364, dated the 27th January 1898, regarding the Municipal taxation, and the resources and requirements of the Civil and Military Station of Bangalore.

2. The estimated normal revenue assuming that present receipts from excise are withdrawn, is, approximately, Rs. 50,000 less than the estimated normal expenditure. You represent that it is not at present possible to estimate with any accuracy the proceeds of the octroi, and you accordingly suggested that, for the year 1898-99, a subvention of Rs. 50,000 should be made, from the revenues of the assigned tract, to the Commissioners, in the expectation that, before the commencement of 1899-1900, the requirements and the probable proceeds of the octroi would be more accurately ascertained.

3. Under the circumstances explained in your letter, the Government of India prefer that the existing system as regards excise revenue should continue unchanged in 1898-99. It is understood that you agree to this and will furnish, in due course, a clearer exposition of the financial position of the Municipality with your views as to the resources from which any necessary funds should be raised when the excise revenue is withdrawn. I am, however, to state that the Government of India are not prepared to admit, as a sufficient reason for a subvention, the statement that the requirements of the Civil and Military Station are in excess of what can be met from the revenues as they exist. Before a subvention could be agreed to, it would be necessary to show conclusively that the Municipality are bearing a reasonable quantity of taxation and that no measures have been omitted which might secure financial equilibrium without extraneous aid. Special attention should be paid to the incidence of taxation per head of population. The note attached to your letter appears to indicate that the incidence of taxation in Bangalore is considerably lower than in other stations and sanitaria of equal importance. A detail which needs explanation is the nature of the local cess on arrack, toddy and ganja, mentioned in appendix XVIII (ii) of your letter 180 camp, dated the 9th May 1897. The proceeds of this cess are not included in the items of receipt given in statements A and B enclosed with your letter under reply, and are therefore presumably not a part of the Municipal income. They were, however, entered under the head "share of excise revenue enjoyed by the Municipality" in the above appendix.

4. You have also asked that a grant of Rs. 20,000 should be made, during the year 1898-99, from the revenues of the assigned tract, to meet a portion of the estimated cost of increasing the accommodation in the Bowring Civil Hospital. The Government of India recognise that the extention of the hospital is a matter of great local importance and are desirous of giving assistance in the matter. A further communication on the subject will follow.

From COLONEL D. ROBERTSON, C. S. I., Resident in Mysore, to the Secretary to the Government of India, Foreign Department, dated 30th January 1899, No. 416.

I have the honor to acknowledge the receipt of your letter No. 745, I. A. dated 17th March 1898, regarding the financial affairs of the Municipality in the C. & M. Station of Bangalore. I did not at once reply to this letter as I was anxious to allow the Commission time in which to mature their plans for the imposition of an extended octroi, and pending the final settlement of this scheme, it seemed difficult to estimate with any pretence at accuracy what the financial effect would be. Proposals of an incomplete nature reached me in September 1898 necessitating further reference to the Commission, and I much regret that owing to the dilatory manner in which the proposals have been handled by them I am even now not in possession of their final proposals, though I understand that a special meeting has been convened for their discussion, and that I may expect shortly to receive them. In submitting the present report, I wish, under the circumstances explained, to make it clear that the estimate for a larger income from octroi than has hitherto been derived is nearly approximate.

2. With my letter No. 364, dated 27th January 1898, I forwarded what appeared to me fairly complete information regarding the position of the Municipality based upon the average of the past 3 years, understanding that what the Government of India mainly desired was to obtain clear evidence as to the effect upon the finances of the Commission consequent upon the proposed withdrawal of the contributions from Excise Revenues which have been enjoyed since 1872. I assumed, mistakenly as it now appears, that it was merely necessary to show that to deprive the Commission of what had come to be regarded as a certain and substantial portion of their income, would probably be to cripple their efficiency, the presumption *ab initio* being that they had not sufficient revenue independent of these registration and license fees.

3. The whole question has since been carefully examined, and I now proceed to discuss the following points :—

(*a*) The general financial position.

(*b*) The possibility of raising more revenue.

(*c*) The incidence of taxation, and believe I shall have no difficulty in showing that if the registration and license fees are withdrawn, equilibrium will barely be maintained, whilst, in its straitened circumstances the Municipality will have no power to carry out many urgently needed improvements and that if, additionally the local cess alluded to in para 3 of your letter is taken away, the Municipal corporation will speedily become insolvent.

4. As regards the general financial position, two statements marked respectively A & B are enclosed which shew the actuals of revenue and expenditure during the past 4 years, and also (vide statement B) the averages based on the same period eliminating those items on both sides of the account which are not expected to recur. To deal first with statement A. During the first 4 years, whilst the revenue has only increased by about Rs. 13,000, the expenditure has advanced from Rs. 2,23,997 to Rs. 3,09,544, or more than Rs. 85,000. It will be seen that the increases are confined to objects of obvious importance, *viz.*, public works account for about Rs. 17,000; education, 2,000; sanitation and medical services, 62,000. There has been no increased expenditure on schemes which could have been postponed or were not urgently required for the health and well-being of the station. Nor have there been any undesirable and unnecessary additions to salaries. The increase in the assessing and collecting establishment, were for special objects and obligatory. Disregarding the averages which are, under altered circumstances, likely to be misleading and looking merely to the figures on both sides for 1896-97 and 1897-98, we may assume that the revenue and expenditure both about Rs. 3,00,000, approximately balance each other. It is not, I consider, necessary to

refer to the cash reserve of the Municipality which at the time of my former report was Rs. 85,000. If the Commission is to be held liable for even half the expenditure on Plague up to the end of the current official year, this balance will disappear, whilst, under ordinary conditions, the amount would doubtless be utilized during the next year or two, and cannot in any case affect the normal receipts and expenditure.

5. Turning now to a consideration of how the account will stand when the changes now either ordered or in contemplation take affect. Statement B, gives the total receipts as Rs. 2,38,864 and the expenditure Rs. 2,90,229, a difference of Rs. 51,365. On the first page of the account, there are omitted (a) profession tax formerly payable by the Military, Rs. 2,500 and (b) registration and license fees about Rs. 43,500, or a total of Rs. 46,000. On the expenditure side in order to present as far as possible a normal statement, a deduction of Rs. 14,697 has been made from new works and Rs. 2,777 from other charges unlikely to recur.

6. It remains now to be seen what steps can be taken to increase the receipts up to the sum necessary to balance the expenditure, and it will be convenient first to consider exactly what sum is required to meet all charges :—

(1) The new water supply maintenance is expected to cost Rs. 65,000.

(2) The extension of octroi will require Rs 6,592 plus Rs. 2,400, if the proposal for part payment of the excise *cum* octroi superintendent (as suggested in my letter No. 140 dated 12th January 1899) is sanctioned.

(3) The enlargement of the Bowring Hospital will necessitate an increased establishment &c., costing Rs. 13,000.

If items (1), (2) & (3) just mentioned are added to the normal expenditure, the grand total will amount to Rs. 3,77,221.

I now revert to the provision of funds necessary to meet this expenditure.

(*a*) We shall realize 62,000 in the 6 per cent tax on houses, buildings and land instead of 51,298, or an increase of Rs. 10,702.

(*b*) Octroi may bring in 1,00,000 in lieu of 44,020, a gain of Rs. 55,980.

(*c*) Under section 42 of the Municipal law, 1897, a tax of 2 per cent for conservancy purposes will bring in about 20,000, of which Rs. 15,000 is already realized in another form—a net gain of Rs. 5,000.

(*d*) Under section 43, the Commission propose a water tax of 5 per cent to bring in Rs. 45,000. These proposals have not as yet reached me officially, but I understand that certain exemptions are contemplated and that they will consequently yield less than 5 per cent on the rateable annual value.

If we add items (a) (b), (c) and (d) on the receipts side to the total of Rs. 2,38,864, we arrive at a grand total of Rs. 3,55,546.

Rs.	2,38,864	
,,	10,702	(a)
,,	55,980	(b)
,,	5,000	(c)
,,	45,000	(d)
	3,55,546	

7. On this showing, the deficit is Rs. 21,675, caused mainly by the short yield of the water rate (Rs. 45,000) compared with the expenditure Rs. 65,000. As I have mentioned, the proposals of the Commission have not as yet reached me ; when they do, I shall certainly invite attention to the necessity for realizing enough by taxation to cover the expenditure on maintenance. Looking to the fact that no charge on account of interest for the capital expenditure involved in the water supply project devolves upon the Commission, they may reasonably be compelled, if necessary, to bear their full share of the cost of maintenance. Being for the most part house owners, their sense of public duty is probably obscured by a selfish regard to their pockets. Assuming that this expenditure is met in full by the Municipality, there will still be an excess of expenditure over receipts to the extent of Rs. 1,600

odd, but for the sake of argument I am prepared to accept both sides of the account as exactly balancing. It is obvious that such a position would be extremely unsatisfactory. We are taking a step in the dark as regards octroi, and if the yield is short of expectations, a deficit must inevitably result. It will further be seen that the provision for new works is very meagre and that a budget framed on such lines practically means stagnation in Public Works. This too to mention some of the prominent requirements when many parts of the bazaar are in a most insanitary condition, requiring a large and continuous expenditure, when the present system of drains is admittedly defective and when the Bowring Hospital demands extension and improvement at the earliest possible date.

8. A remedy can be found in one of two ways—either in reducing fixed expenditure or by increasing the income. Most of the expenditure has been so recently revised that I do not think any material reduction would be found possible. It is therefore only necessary for me to consider in what matter the income might be increased. It is obvious that this could only be accomplished by means of one of the taxes enumerated in sections 41, 42 or 43 of the Municipal Act. To take first section 41; following the order therein observed; (*a*) as regards a tax on buildings and lands, the total amount to be collected provided the water expenditure is fully met, will be 15% on the annual value, *e. g.* 6% the present house tax plus 2% for conservancy plus 7% for water. To take any more would occasion serious opposition from all classes of house owners; (*b*) we already tax professions; (*c*) a tax on vehicles &c. kept in the station has been vetoed as likely to produce very little in comparison with the cost of collection; (*d*) the same argument applies to a tax on vehicles etc, entering the station; (*e*) the present octroi is about to be extended. There remains (*f*) "any other tax." Taxes are either levied or proposed to be taken under section 42 and 43 of the Municipal Law. As regards (*f*) I am unable at present to propose any suitable tax in addition to those already taken. It would doubtless be an easy matter to invent a further impost of some sort, but this brings me at once to the capacity of the people to bear extra taxation and to the incidence per head of the population as it will stand when the proposals already discussed are brought into operation.

9. Mr. Slight has furnished a statement, copy enclosed, showing the incidence of taxation in 14 Municipal Towns, from which it would appear that the incidence in Bangalore is higher than in any one of the towns * named with the exception of Calcutta and Bombay. There are thus sufficient grounds for believing that the taxation in the C. and M. Station will, with the octroi and water-tax be sufficiently high. Apart from this it is well known that Bangalore is not a rich town. It does not contain the centre of any large industry, most of the lucrative trade is in the hands of a few prominent persons and the population is largely composed of camp followers and pensioners or their descendants, many of whom lead a more or less hand to mouth existence. Nor is there anything in Bangalore closely corresponding to the conditions obtaining at Ootacamund or in any of the Himalayan stations. The President of the Municipal Commission believes, and I agree with him, that the taxable limit has for the present at any rate, been reached in the C. and M. Station, not only for the reasons already stated, but also because a large number of the people have still to bear expenditure in order to enable them to conform to the recent Sanitary Regulations in connection with private drains, privies etc. Additionally it may be stated that the Plague has hit a number of poor people very hard and that their financial recovery must be slow.

*Bombay, Howrah, Poona, Madras, Agra, Cownpore, Delhi, Madura Lucknow, Bellary, Trichinopoly, Calicut, Salem and Bangalore.

10. In para 3 of your letter under acknowledgment details of the "Local Cess" on Arrack, Toddy and Ganja are asked for. It is shown under the heading of grants and contributions. In this connection I would invite reference to Foreign Department (Internal) letter No. 984 T., dated 23rd March 1886, in accordance with which the local cess was made over to the Municipality. The average yield for the past 4 years has been about Rs. 25,000. I do not think that the Municipal claim to this cess can be considered much stronger than the one to registration and license fees which has been disallowed. If, however, a further sum of Rs. 25,000 be deducted from Municipal income, the situation will be worse than I have endeavoured to depict it.

S/43 [illegible] 85

11. I hope the information supplied will now enable the Government of India to come to a final decision on the main point at issue, and to endorse the conclusions at which I have arrived that, if deprived of a considerable portion of their present

income, the Municipality will be unable to perform its functions efficiently, that otherwise than by means of an octroi there is no immediate prospect of an increased revenue and that the people are unable to bear any greater burden of taxation.

12. It would not be becoming were I to attempt to re-open the question of the desirability of permitting the Municipal Commission to retain the contributions they now receive from the excise revenues, but I may perhaps be allowed respectfully to urge that the assertion of the principle involved in the well known distinctions between imperial and local revenue is hardly necessary in the present case, seeing that the revenues derived from the tract assigned to the British Government for administrative purposes are not strictly imperial; for the Government of India has expressly disclaimed any intention of deriving advantage therefrom and has moreover agreed that they shall be expended for the benefit of the tract in which they are raised. If, however Government feel that an adherence to the decisions already arrived at is imperative, I would venture to suggest that the Municipality be allowed to retain the local cess and that, in return for the registration and license fees which they surrender, they be relieved of the charge of the Bowring Hospital, involving a yearly expenditure of about 40,000, with a further liability for extending the premises of about 50,000 of which the Government has already paid Rs. 20,000. This suggestion not only presents a fairly satisfactory compromise, but it also takes into account the condition imposed by para 5 of Foreign Department letter No. 1102 I., dated 3rd May 1883 under which " the maintenance of the Hospital in a satisfactory state by the Municipality be considered to be a condition of the continued surrender to the Commission of the license fees." Moreover, it would be decidedly advantageous if only as a means of securing professional inspection, to bring this Hospital directly under Government control. The idea that local self Government would be promoted in any way by making over the Bowring Hospital to the Municipality has been entirely dissipated by the practical results of this transfer. The Residency Surgeon enjoys an entirely unsupervised independence, and any attempt on the part of the Municipality to exercise their right of overlooking his proceedings is keenly resented and opposed. This position in view of the fact that the management of the Hospital appears to be susceptible of improvement cannot be regarded as entirely satisfactory.

File No 294 of 93

29

No. 2642, dated Bangalore, the 17th June 1899.

From—Lieut.-Col. Donald Robertson, C. S. I., Resident in Mysore.

To—The Secretary to the Government of India, Foreign Department.

I have the honour to invite your attention to my letter No. 416, dated 30th January 1899, in which I discussed the financial position of the Municipality of the Civil and Military Station of Bangalore.

2. In paragraph 6 of the letter in question, I showed that the normal annual expenditure of the Municipality might be estimated at Rs. 3,77,221 and the normal annual income at Rs. 3,55,546, but said that I hoped to induce the Municipal Commission by increasing the proposed water-tax to raise their income to an equilibrium with their expenditure. Since the date of this calculation, however, certain alterations have been made on both the expenditure and receipt sides of the budget which considerably affect the financial position of the Municipality. On the expenditure side the Government of India have in your telegram No. 1110 I—A., dated 29th April 1899 taken over the whole of the Bowring Hospital charges amounting to about Rs. 40,000 per annum, on the other hand the Municipality have to meet the additional charge of about Rs. 12,000 for interest on the loan of one lac which they have recently taken from Government. The total normal expenditure has therefore decreased by Rs. 28,000 and may be put at Rs. 3,49,221.

On the receipts side the Municipality has now parted with the sum of Rs. 25,000 per annum on account of local cess, which according to your telegram No. 1431 I—A., dated 31st May 1899, must henceforth be credited to government; on the other hand the Municipality have agreed to impose a water-tax of 6 per cent. The proposals in regard to this have been published and after objections have been heard will be submitted in due course to the Governor-General in Council for sanction. It is hoped that this tax will bring in the whole of the Rs. 65,000 required for the maintenance of the water works, giving an increase of Rs. 28,000 per annum over the sum previously anticipated. The net decrease in receipts will therefore be Rs. 5,000 and the total normal receipts may be put at Rs. 3,50,546. In a normal year therefore the purely obligatory expenditure and receipts of the Municipality would almost exactly balance.

3. In the above calculations it was assumed that octroi duties, including certain additions to the present schedule which were then still under the consideration of the Municipality, would produce a sum of about one lac per annum. The Municipality have now proposed the imposition of these new duties; and the proposal is awaiting my sanction. The octroi schedule as it now will stand, if the proposals of the Municipality be sanctioned, is shown in appendix A to this letter. Before, however, my sanction was conveyed to these proposals, the resolution of the Government of India in the Home Department No. 55—60, dated 24th April 1899, dealing with the taxation of articles liable to sea customs duties, was forwarded with the letter of the Home Department No. 77, dated 17th May 1899, for my information; I have accordingly deferred further action in the case until I could ascertain how we should stand in the event of its being necessary to vary the existing proposals.

4. It is not clear whether the resolution above quoted is intended to apply to the Civil and Military Station of Bangalore, and I would ask for explicit instructions on this point. It will be noticed that not only are all the articles dealt with in the new proposals affected by the resolution; but also that it embraces all the articles in the old schedule, with the exception of betel-nut. Further, that certain articles in the schedule are taxed not ad valorem but quantitatively, whereas the Government of India resolution deals with ad valorem rates only. In the case of these articles, however, I have had the ad valorem rates roughly calculated; and I have shown in appendix B the financial results which will follow if it is decided that the resolution in question must be held to apply strictly to the Civil and Military Station. The total annual decrease in the yield of octroi will according to this statement be Rs. 46,019.

5. If then the provisions of the resoluion in question are enforced, it will be necessary for the Municipality to again consider their position and the possibility of either imposing fresh taxation or diminishing expenditure. Though for the latter I am afraid there is little or no scope. I have already addressed them on this subject, in order that as little time as possible may be lost should the Government of India decide that the octroi rates must be revised. I have no doubt that it will be possible by extending taxation so as to include various staples of consumption which are now untaxed to eventually make up the deficit. But such a change in taxation besides materially increasing the number of commodities to be taxed, which is against the policy of government will necessitate much discussion and possibly dissension within the Municipality itself, and also long negotiations with the Mysore Durbar, since the peculiar situation of the Civil and Military Station makes it necessary that there shall be uniform taxation in the Station and in the native city. Should it therefore be decided that the resolution in question is binding on the Civil and Military Station, I fear that it will be impossible, looking to the requirements of the Municipal Law, to extend the octroi before the end of the present financial year. In the current year's budget it was calculated before Government of India's resolution had been received that the proposals for taxation now awaiting my sanction would be in force during 7 months of the current year and would produce Rs. 35,580. If it is not possible to sanction these proposals, the Municipality will be placed in a position of great difficulty for the present year and will be confronted with a large deficit which it will have no means whatever of supplying. I trust therefore that it will be found possible to allow the present proposals to be sanctioned.

6. In this connection I would invite a reference to paragraph 3 of Mr. Girdlestone's letter to the Secretary to the Government of India, Foreign Department, No. 1238—213, dated 12th May 1885, on the subject of the transfer of the local cess on the excise revenue to the Municipality. It was then stated for the information of the Government of India, that the transfer had been made "partly in consideration of the Commissioners undertaking the charge of primary education within the Station." In their letter No. 984 I., dated the 23rd March 1886, the Government of India sanctioned this transfer as recommended by Mr. Girdlestone. It has now been represented by the Municipal board that since the local cess on excise has been resumed by government, they should in fairness accept the charge on account of primary education, which was under taken originally by the Municipality in consideration of their receiving the cess in question. The charge on account of primary education is now Rs. 10,400 per annum, and its assumption by government would be a considerable relief to the Municipality. I would recommend this proposal to the consideration of government as one step however inadequate towards relieving the present financial straits in which the Commissioners now find themselves.

7. In conclusion I would venture briefly and very deferentially to summarize the position as follows. In Bangalore it is absolutely necessary in the interests primarily of its important garrison and secondarily by virtue of our exceptional position here, that the place be efficiently conserved and decently administered. Unfortunately as it appears to me, an artificial arrangement in the shape of a Municipality, which is not now and probably never will be anything more than a pretence at local self gevernment exists, and the separation of local and quasi Imperial interests which this creation entails must tend to block all progress; not to mention our requirements in regard to Public offices, which are perhaps removed from the category of purely local objects of expenditure and various other works which may fairly be called urgent. There are two pressing schemes one for drainage, which though ready is only laid aside for want of funds, and another for relieving the disastrous congestion in the main bazaar, which when completed will probably be found to be very costly. Under ordinary circumstances these are projects which should be undertaken by the Municipality, but that body which has already borrowed one lac without which it must have been declared bankrupt, is now, mainly owing to plague, so crippled that it will probably not be in a position for some considerable time; even if plague does not appear, to do more than meet ordinary establishment charges leaving original works out of its programme altogether—even

had plague not visited the Station the margin between income and obligatory expenditure was so small that no large public works could be undertaken. Unless there is soon some amelioration, which I do not anticipate, in the condition of affairs, it may be desirable to set aside the Municipal administration and constitute a Station Committee for the management of all revenue realized within the Civil and Military Station, as well as the control of expenditure, under the Presidency of the Resident, which would deal with all local matters after the fashion of a Cantonment Committee. The question is one I admit which would require consideration and probably much elaboration of details; but the disestablishment of the Municipality and the assumption by government of direct responsibility for management, would seem to present a solution of what may possibly prove to be an increasing difficulty; and, regarding the administration of the Assigned Tract as a whole, I believe that the change would tend towards economy

Appendix A.

Name of article.	Octroi rate.	Ad valorem rate.	Rate allowed by resolution.
	(1) *Schedule now in force.*		
Dry cocoanuts... ...	8 annas per maund of 24 lbs.	16 10 8% ...	1 9 0%
Green do ...	Rs. 5 per 1,000 ...	17 13 9% ...	1 9 0%
Betel leaves	2 pies per 100 ...	53 1 4% ...	Not affected by terms of resolution.
Tobacco	Rs. 3 per maund of 24 lbs.	23 0 7% ...	3 2 0% This present ad valorem rate is an average taken on all kinds of tobacco.
	(2) *Additional articles which it is now proposed to tax.*		
Timber	Varying according to kinds from Rs. 4 to Re. 1 per ton of 50 cft.	Average for all kinds Rs. 2—11—0%.	3 2 0%
Tiles	1 8 0 per 1,000 ...	2 5 0% ...	1 9 0%
Piece goods	2%	2%	1 9 0%

Appendix B.

Name of article.	Estimated receipts at present rates.	Estimated receipts at rates laid down in resolution.	Decrease.
Dry cocoanuts	600	56	544
Green do	7,000	612	6,388
Betel leaves	5,500	5,500	...
Tobacco	26,000	3,125	22,875
Kerosine oil	9,000	...	9,000
Piece goods	30,000	23,438	6,562
Timber	20,000	20,000	...
Tiles	2,000	1,350	650
Total.....	1,00,100	54,081	46,019

No. 364.

FROM

LIEUT.-COLONEL DONALD ROBERTSON, I. S. C.,
RESIDENT IN MYSORE.

TO

THE SECRETARY TO THE GOVERNMENT OF INDIA,
FOREIGN DEPARTMENT.

Dated Bangalore, the 27th January 1898.

SIR,

I have the honour to acknowledge receipt of your letter No. 2231 I. A., dated the 12th June 1897, with which was forwarded a copy of the Bangalore Municipal Law, 1897, as approved by the Governor-General in Council.

2. With reference to paragraph 2 of your letter above quoted, I attach a copy of a Notification (No. 3475, dated the 21st August 1897) issued by me under Section 46 (2) of the Law, exempting Military Officers and Soldiers, as also Ladies of the Indian Nursing Association, from payment of profession tax.

3. In compliance with the request contained in the 3rd paragraph of your letter, I beg to submit the following report on municipal taxation and resources and the requirements of the Civil and Military Station. I have taken the word "requirements" to mean those needs of the Station which would ordinarily be met from municipal funds, and not, for instance, public offices for (a) my establishment, (b) the Collector and other functionaries in the Station, including a Court for the Honorary Magistrates, and a Treasury, which will be necessary, the Accountant General considers, the present arrangements being entirely inadequate. As the Government of India are aware, office accommodation is here urgently needed, and I propose, the principle having been conceded that the Revenues of the Civil and Military Station are to be expended for the benefit of the Assigned Tract, shortly to place before the Government of India definite proposals, which have only been delayed in order to enable me, with more experience of the place, to estimate accurately what is actually required, and the order of precedence to be assigned to each project.

4. The statement marked A, and attached, gives the actual receipts and expenditure under the various budget headings for the three years ending the 31st March 1897, together with the average annual amount of such receipts and expenditure. It will be seen that whereas in the years 1894—95 and 1895—96 the receipts exceeded the expenditure by some sixty three thousand, and thirty four thousand rupees, respectively, the expenditure in 1896—97 exceeded the receipts by nearly Rs. 6,000, and this notwithstanding the fact that those receipts were higher than in either of the two preceding years. The increased expenditure was mainly under Public Works, "new works," "repairs," "conservancy" and charges in connection with the "deputation of Surgeon-Major Ross."

5. The expenditure on sanitary measures, now Rs. 88,367, has materially increased, but this was inevitable. The needs of Bangalore in this direction are very great, and to judge by the reports of Surgeon-Major Ross, and the criticisms which so constantly appear in the newspapers, I am afraid that there is much to be done before the Station will become what, with its excellent situation and climatic advantages, it should be, a sanatorium and health resort for Southern India. I would here invite attention to the forcible but abundantly justifiable language used by Mr. Lee-Warner in his letter No. 3167, dated the 14th August 1895, on this subject. The new Law gives the Resident an ample control which I do not in the interests of sanitation hesitate to use, but when efficient conservancy in such a crowded locality has been signally neglected for a number of years, measures of reform cannot be hurriedly introduced, and are, necessarily, costly.

6. It must be remembered that statement A relates to a period during which the Bangalore Municipal Regulations of 1883 were in force. These Regulations have been repealed by section 2 (1) of the Municipal Law of 1897, and it is necessary to consider what will be the probable future income of the municipality in consequence of—

(*a*) the introduction of this new Law and

(*b*) the directions and wishes of the Government of India regarding the tax on liquor and the profession tax as expressed in your letters Nos. 2997 I. A., dated the 26th September 1896 and 2231 I. A., dated the 12th June 1897; and what the probable expenditure under normal conditions will amount to. A. 34 A. 41

7. To facilitate a consideration of this matter, I attach a statement marked B which, together with an explanatory note, has been prepared by the President of the Municipal Commission. The figures in this statement are based on those in statement A, and differences are explained in the "remarks" column.

It seems to me necessary to consider the case mainly with reference to the proposed withdrawal of the municipal receipts from excise, which will presumably in future form part of the revenues of the Assigned Tract. Having to deal with various matters which are more or less conjectural, Mr. Slight was necessarily at some disadvantage in preparing the estimate of municipal requirements. It is, for instance, impossible to say what the octroi, which is to supersede the present system of levying a revenue from tobacco and betel leaves, as well as to replace the profession tax, will produce. A similar difficulty presents itself regarding the cost of the permanent octroi establishment, nor can the probable expenditure in maintaining the Water-Supply be as yet accurately stated. For practical purposes we may, however, assume that the expenditure on this account, and receipts from the water tax, will approximately balance each other, and that neither require to be considered for the purposes of the present report. The Station has been exceptionally well treated in escaping from the necessity of raising capital, with its attendant interest and instalment obligations, and there can be no hardship on the tax payers in being asked to meet purely maintenance charges. Similarly it seems better to leave the drainage scheme out of the account altogether. No system has as yet been definitely adopted, nor can I conceal from myself the apprehension lest a total or even partial failure of the water supply, after a succession of 2 or 3 years of scanty rainfall, may not render any scheme that could be devised, if frequent flushings were not possible, a source of possible danger, far greater than is now afforded by the partly open drains, admittedly imperfect though they be. I would not be understood to prophesy a failure of the Hesserghatta scheme, but we have not there the perennial supply of a large river, and the element or chances of failure can, for some years at least, never be entirely absent from our minds. Moreover, before the Municipal Commissioners embark on a drainage scheme, I venture, without any disparagement of Captain de Lotbinière's ability, to stipulate that the project be thoroughly examined by some expert, with special reference to the adequacy of our normal supply of water. And finally, I hope I am justified in assuming that, when the day arrives for the adoption of a thoroughly matured drainage project, the matter will be taken into consideration by the Government of India, looking to the importance of Bangalore, as one justifying

a substantial grant-in-aid from the revenues of the Assigned Tract. For the foregoing reasons, I regard the question of providing funds for a drainage scheme as outside the normal financial resources of the Municipal Commission.

8. To return to Mr. Slight's Note and statement B., he places the ordinary revenue at Rs. 2,36,049, with an expenditure of Rs. 2,86,135, affording thereby roughly a deficit of Rs. 50,000 per annum. I may mention that the expenditure sanctioned for the current year is Rs. 3,24,192, against a revenue of Rs. 3,13,609.

The President's estimate of normal revenue and expenditure, it will be seen, assumes that the present receipts from excise are withdrawn: practically therefore all that seems to be needed, in order to restore financial equilibrium, is a subvention from Government of Rs. 50,000 annually. It may perhaps be considered that this is a somewhat illiberal view of the situation, seeing that no margin is left for possible failure of income, or unavoidable additional expenditure, and that the requirements detailed by the President in paragraphs 4, 16, 17, 18 and 19 of his Note, have been to some extent at least disregarded. I have however dealt with I water supply, III new drainage and IV octroi establishment, above, and will make my recommendation regarding No. II Bowring Civil Hospital, further on. As regards other requirements the Commissioners have at present a cash balance of Rs. 85,956: this can, if necessary, be drawn upon to provide for some of the requirements specified, without unduly depleting the cash reserve: for the rest, the Board must rearrange their expenditure in order to provide funds for obligatory expenditure.

9. It will probably be some time before the octroi arrangements are in working order, and as I have mentioned it is impossible now to estimate with any pretence at accuracy what the results of the introduction of this tax may be. I would therefore recommend that for the year 1898—99 Rs. 50,000 be paid to the Commission in lieu of the Registration and License fees they now realize. Their budget is now under preparation but the change indicated will not in any way prejudice their estimate. Before the commencement of 1899—1900 we shall be in a better position to appreciate what their requirements will be, with reference to the estimated proceeds of the octroi, whilst there can be no necessity at present to pledge the Government of India to contribute any definite sum for a term of years. At the same time it is obvious that a subvention from Public Revenues is really required. The accounts of the municipality have recently been subjected to an audit by an official lent by the Accountant General, Madras, the result of which was entirely satisfactory; any tendency towards extravagance or unnecessary expenditure is at once checked by my office; the Government of India may therefore rest assured that the rate-payers receive full value for the taxes paid, and that the trust imposed on the Commission is discharged in a businesslike and advantageous manner.

10. In addition to the grant of Rs. 50,000, I would ask that a sum of Rs. 20,000 be given during 1898—99 from the revenues of the Assigned Tract to meet a portion of the estimated cost (48,000) of enlarging the present Bowring Civil Hospital accommodation (see paragraphs 4 and 6 of Mr. Slight's Note). Rs. 24,000, in addition to the sum named above, have been generously supplied by private donors for the erection of new wards, and the hope expressed to me by the Commissioners on various occasions seems a reasonable one, *viz.*, that as the project is one of considerable public importance, the Government of India might consent to relieve Municipal revenues of a portion of the initial cost. I have no hesitation in recording my opinion that the present condition of the Bowring Hospital, in reference to the accommodation it affords, is eminently discreditable—the interior space is so limited, and the numbers using the Institution are often so large, that the premises have become very insanitary—indeed the surroundings are so unhealthy and unpromising for surgical work that the risks attending such cases are seriously enhanced. A carefully matured scheme has been adopted, whereby the present building will be used in future solely as a Hospital for males, and by the demolition of a purdah wall, and some very insanitary kitchens, the interior space will be enlarged, and ventilation thereby facilitated. For the

accommodation of women, detached wards, with an encircling wall, will be built on a vacant space immediately adjoining. The three new female wards, paid for by private liberality, are approaching completion, and what the Municipal Commissioners require is the promise of a grant from the revenues of the Assigned Tract to enable them, with the money they can afford to spend, to complete the work out of hand. I can confidently state that there is no project in the Civil and Military Station which approaches in importance and urgency the proposed extension of the Bowring Hospital. I hope therefore that the grant of Rs. 20,000 now asked for will be sanctioned in addition to the subvention of Rs. 50,000 for the official year 1898—99.

I have the honour to be,

Sir,

Your most obedient servant,

Resident.

Notification.

No. 3475, dated 21st August 1897.

In exercise of the powers conferred by Section 46, clause (2) of the Bangalore Municipal Law, 1897, the Resident in Mysore is pleased to exempt all Military Officers or Soldiers who are or may be from time to time employed on Military duty in the Civil and Military Station of Bangalore, from payment of any tax to the Municipal Commission on account of their profession as Military Officers or Soldiers.

The foregoing exemption also applies to Ladies of the Nursing Association employed on nursing duty in Bangalore.

"By Order"

K. D. ERSKINE, CAPTAIN,
First Assistant to the Resident.

NOTE BY THE PRESIDENT.

The accompanying statements, A. and B., will be found to afford information on the following points :—

"STATEMENT A."

Information as to the actual receipts and charges under budget heads detailed, for 3 years ending 31st March 1897, together with the average annual amount of such receipt and expenditure.

"STATEMENT B."

Information as to what may be considered the normal annual expenditure (setting aside certain necessities which will be found alluded to hereafter) with reasons for differences between the amount shown therein and the averages shown in statement A.

2. Statement B. fairly exhibits the resources as well as the necessities of the Commission under normal conditions, and as all the items of expenditure exhibited thereon may be said to be of an obligatory nature (under the provisions of Section 69, Bangalore Municipal Law, 1897), it has not been considered necessary to prepare any further statement at present.

3. It will be seen from statement B. that the estimated expenditure is in excess of receipts to the extent of Rs. 50,086.

4. In addition to this amount the following requirements must be taken into consideration.

I Water supply.

II B. C. Hospital, new building and maintenance.

III New drainage.

IV Establishment charges connected with proposed extension of Octroi.

5. The first of these, *i. e.*, water supply, has been variously estimated at from Rs. 63,000 to Rs. 75,000 per annum, and it might be well to place the figure at Rs. 70,000.

6. With regard to II, the total estimated cost of new buildings is about Rs. 80,000, of which amount, Rs. 24,000 will be provided by private contribution and Rs. 8,800 have been provided in the budget for the current year, thus leaving Rs. 47,200, or, say, Rs. 48,000 to be provided. If this money has to be borrowed the cost thereof will entail an annual charge of Rs. *2,400; the maintenance of the hospital after enlargement will entail an additional annual expenditure of Rs. 6,000, thus making in all Rs. 8,400 on account of hospitals.

*At five percent.

7. In the absence of a detailed scheme for the new drainage, it is difficult to exactly estimate what the annual cost may be to the Commission, but assuming that the cost of such a scheme would be Rs. 8,00,000, the annual charge on account of capital would be Rs. 40,000 and maintenance charges might fairly be assumed at Rs. 10,000 or a total charge of Rs. 50,000 per annum on this account.

8. The present charges on account of Octroi Establishment, &c., amount to Rs. 12,408 for the collection of revenue amounting to Rs. 45,629 thus representing a charge on account of establishment, &c., of (approximately) 28%. It is proposed (paragraph 12 following) to increase the revenue on account of

Octroi to as much again as is now collected or perhaps to Rs. 1,00,000, and for this purpose some increase to establishment, &c., will be necessary; this increase may be computed at half as much again as the present charge or about Rs. 19,000 in all, representing a charge on account of establishment, &c., of 19%. Increase Rs. 6,592.

9. From the foregoing it will be gathered that if all the above proposals are to be carried out; provision must be made to the extent of Rs. 1,85,078 as follows:—

		Rs.
Estimated excess expenditure	...	50,086
Water supply	...	70,000
Hospital buildings and maintenance charges ...		8,400
Drainage ...		50,000
Octroi establishment charges ...		6,592
Total Rs.		1,85,078

10. The sources from which it might be possible to make provision on account of these charges are:—

i by an increase to the house-tax of 5% at present levied. See Section 41 A. (a) i, Bangalore Municipal Law, 1897.

ii by the imposition of a tax on vehicles and animals used and kept in the Station. Section 41 A. (c), Bangalore Municipal Law, 1897.

iii by the imposition of a toll on vehicles and animals entering the Station. Section 41 A. (d), Bangalore Municipal Law, 1897

iv by an extension of the Octroi under Section 41 A. (e), Bangalore Municipal Law, 1897.

v by the imposition of a water tax, section 43 Bangalore Municipal Law, 1897.

11. Under i above an increase to the extent of 5% is admissible; but as a tax of 6% will be proposed under v above, the incidence of which will fall upon the same tax-payer, it is considered that an increase of 1% only is advisable on the present tax on buildings and lands. This increase would yield Rs. 10,172.

12. With regard to ii, iii, and iv above, the members of the Committee which was convened under the operation of paragraph 8 of Proceedings of the Resident in Mysore No. 2242, dated 23rd June 1896 (in re budget estimate of 1896—97) have expressed the opinion that the levy of a tax upon vehicles and animals kept in the Station "would form too inconsiderable an increase to receipts to warrant its collection in view of the disfavour in which it would be held". The imposition of a toll on animals and vehicles entering the Station was objected to on general grounds by the Resident in Mysore (paragraph 4 of letter No. 2949, dated 29th August 1893) unless there was an absolute necessity for the same. Revenue under heads ii and iii above cannot therefore be looked for with any degree of confidence. The revenue from Octroi—head iv—might it is thought, be extended so as to yield about Rs. 1,00,000 which would be a little more than double that at present obtained (45,629). This subject is still under the consideration of a joint Sub-Committee of the Commissioners of the City and Station Municipalities, which was convened in reference to this office No. 1649, dated 9th September 1896 and sanctioned as per No. 4267, dated 25th November 1896 from the First Assistant to the Resident. A record of the proceedings of this Committee up to April 1897, was forwarded to the First Assistant to the Resident with this office No. 155, dated 8th April.

13. A water-tax at 6% under v above would yield a revenue of Rs. 61,034.

14. Under Section 42, Bangalore Municipal Law, 1897, a house scavenging tax may be imposed, but although a change may be made in the form of its incidence, the tax is not likely to be made heavier than the present conservancy cess.

15. The sources of income above indicated would give an aggregate amount of Rs. 1,25,577 against a deficit of Rs. 1,85,078, thus leaving Rs. 59,501 still to be provided annually.

16. This latter amount does not however include any provision for :—

(a) new works of any importance

(b) staff for fire brigade

(c) salary of Medical Officer

17. It is impossible to estimate requirements under the first of these heads as the works undertaken must always depend on the funds available, but it is undoubted that there are a very large number of works which are very desirable for the improvement of the Station, and it may be taken that from 15,000 to 25,000 Rs. or an average of Rs. 20,000 would be a very reasonable annual expenditure on such. In this connection, the general weakness of the establishment of the works department may here again be brought to notice. The present establishment charges of the department represent 10% of the expenditure on works, whereas the general principle is to allow 20% of expenditure under grant I for the establishment of the works department. In view of the largely increased duties likely to fall upon the establishment, it is considered that the same limit of 20% (which is frequently exceeded in Local Fund Establishment in Districts in the Madras Presidency) should be allowed for, in making general estimates, such as the present resource and liability estimate.

18. With regard to (b) above, the sum of Rs. 600 has been entered in statement B. in connection with fire engines, but this merely provides for contingencies and a small establishment to look after the hose and appurtenances. It is however considered that further provision will be necessary on account of the nucleus at all events of a fire brigade, and for telephonic communication with Police Stations, for both of which an estimate of Rs. 2,000 per annum does not seem exorbitant.

19. In reference to (c) above, provision will be necessary on account of (i) an increase to the pay of the Health Officer (Rs. 300 per mensem at present) or (ii) for the pay of a Medical Officer. In the former case the salary may be stated at from Rs. 300—Rs. 600 per mensem as originally proposed, and this would mean an increase of Rs. 2,700 per annum, being $\frac{3}{4}$ths of the difference between the minimum and maximum salary per mensem. If the payment to a Medical Officer is decided upon, the amount to be provided would be approximately the same.

20. Before concluding this note, it may be mentioned that the Sub-Committee on octroi referred to in paragraph 12 *supra* have stated that in their opinion the time for the abolition of the Profession Tax, which is viewed with much disfavour, has not arrived. In view, however, of the general revision of taxation now to be made, it is probable that this opinion may no longer stand ; if it should not, the deficit to be made good from other sources would be increased by Rs. 9,886.

21. In consideration of the foregoing, and if it is desired that the affairs of the Municipality be conducted in a manner befitting the importance of the Station, it is considered that a grant of at least Rs. 1,00,000 per annum will be required over and above the resources above indicated.

Statement A.

Showing Actual Receipts and Expenditure under various heads for three years ending 31st March 1897, and the average annual amounts thereof.

Heads of Receipts.	Actuals for 1897-98	Actuals for 1894—95.	Actuals for 1895—96.	Actuals for 1896—97.	Average for three years ending 31st March 1897
Rates and Taxes.					
Tax on professions and trades	11,271	15,835	7,699	13,622	12,386
Tax on houses, buildings and lands... ...	52,878	48,916	52,506	51,974	51,132
Lighting tax	12,737	11,896	12,664	12,528	12,363
Town duties	39,192	47,130	45,958	43,799	45,629
Revenue derived from Munl. property, &c.					
Rent of lands and buildings	10,920	10,807	10,585	11,045	10,812
Sale proceeds of land	"	7,921	...	...	2,640
Fees	34,954	30,777	31,773	34,899	32,483
Produce of lands	1,132	964	1,127	1,237	1,109
Sale of old materials and tools	208	228	684	867	593
Miscellaneous license and Registration fees ... — Fixed registration fees	14069	13,529	13,014	13,249	13,264
— License fees on excess sale of Beer and Arrack	27270	28,736	31,237	31,064	30,346
— Other miscellaneous	5917	7,065	7,100	6,264	6,810
Conservancy receipts	29430	6,025	9,295	20,657	11,992
Process fees	1746	741	1,627	1,613	1,327
Fines	1588	2,142	1,485	1,623	1,750
Interest on fixed deposit	2736	200	194	674	356
Grants and Contributions.					
Government	42,964	45,540	44,609	46,939	45,696
Pensionary contributions	2403	2,171	1,733	2,372	2,092
Miscellaneous.					
Quarry licenses	72	72	72	53	66
Fees under hackney carriage rules	3085	3,427	3,407	3,268	3,367
Cattle pound fees	1731	1,777	1,656	2,120	1,851
Sale of copies of municipal Regulations and Bye-Laws	53	17	1	...	6
School fees	56	41	65	54	53
Town duty miscellaneous receipts	41	96	46	26	56
Refund from expenditure of previous years ...	1634	69	3	229	100
Extraordinary	1396	133	745	2,686	1,188
	299463				
Total Rs.....		2,86,255	2,79,285	3,02,862	2,89,467

Heads of Expenditure.	Actuals for 1897-98	Actuals for 1894—95.	Actuals for 1895—96.	Actuals for 1896—97.	Average for three years ending 31st March 1897
Public Works.					
New works	29297	18,611	28,184	42,416	29,737
Repairs	48,672	41,478	42,498	55,242	46,407
Establishment	10,248	11,159	4,007	10,212	8,459
Tools and plant	486	570	726	454	583
Miscellaneous	181	373	296	455	375
Education.					
Grant-in-aid to primary schools	9682	7,444	7,726	8,528	7,899
Building grants	169	...	...	235	78
Sanitation and Medical Services.					
Hospitals and dispensaries	31564	26,484	27,659	28,989	27,711
Vaccination	3899	2,289	2,708	3,128	2,708
Registration of births and deaths	1076	719	1,193	1,333	1,082
Conservancy	87,709	41,224	51,676	70,097	54,332
Cholera and other charges	8735	...	2,867	2,706	1,858
Deputation of Surgeon-Major R. Ross ...	"	...	...	10,924	3,641
Laboratory	198	...	...	486	162
Miscellaneous.					
Lighting	17303	15,220	12,289	15,390	14,300
Markets	2481	2,266	3,542	2,225	3,618
Slaughter-house	1631	1,180		1,642	
Maintenance of avenues	480	306	557	417	427
Public parks	1959	2,054	1,633	1,941	1,876
Pounds	1490	1,490	1,484	1,481	1,485
Hackney carriages	2474	2,258	2,287	2,296	2,280
Prosecution	1806	1,502	1,806	1,611	1,640
Fire engines	294	...	20	18	13
Other charges	6004	10,908	11,790	3,309	8,669
Charitable grants	5710	3,985	4,160	4,793	4,313
Acquisition of lands	520	3,000	520	155	1,225
Supervision and Management.					
Salaries of officers	3,600	3,600	7,215	3,600	4,805
Head office	7636	8,081	6,691	8,582	7,784
Assessment and collection	11,873	6,899	8,921	13,186	9,669
Town duties	11,649	10,811	11,316	11,831	11,319
Pensions and Gratuities.					
Pensions and gratuities	1102	86	1,660	959	901
	309,574				
Total Rs.....		2,23,997	2,45,431	3,08,641	2,59,356

Statement B.

Showing average annual Receipts and Expenditure with explanation to account for the differences between the amounts shown herein and the amounts shown as averages on statement A.

Heads of Receipts.	Average receipts for 3 years ending 31st March 1897 after deducting abnormal receipts, &c.	Remarks accounting for difference between this statement and statement A.
Rates and Taxes.		
Tax on professions and trades	9,886	—2,500 Military profession tax.
,, on houses, buildings and lands	50,862	— 270 Government buildings.
Lighting tax	...	—2,063 Do
Town duties	45,629	—10,300 Not leviable under Munl. Law, 1897.
Revenue derived from Munl. property, &c.		
Rent of lands and buildings	10,812	
Sale proceeds of land	...	—2,640 There being no lands for sale.
Fees (slaughter-house, market, bandy stand, and firewood and cattle stand)	32,483	
Produce of lands	1,109	
Sale of old materials and tools	593	
Miscellaneous license and Registration Fees. — Fixed Registration Fees ...	...	Omitted not leviable under Munl. Law, 1897.
Miscellaneous license and Registration Fees. — License fees on excess sale of Beer and Arrack...	...	
Miscellaneous license and Registration Fees. — Other Miscellaneous Fees...	6,810	
Conservancy receipts	20,600	The actuals of 1896—97 have been taken in this case.
Process fees	1,327	
Fines	1,750	
Interest on fixed deposit	356	
Grants and Contributions.		
Government	45,696	
Pensionary contributions	2,092	
Miscellaneous.		
Quarry licenses	66	
Fees under hackney carriage rules	3,367	
Cattle pound fees	1,851	
Sale of copies of Municipal Regulations and Bye-Laws	6	
School fees	53	
Town duty miscellaneous receipts	56	
Refund from expenditure of previous years ...	100	
Extraordinary	545	—29 abnormal receipts 1894–95 (damages to lamp post and wire fencing).—400 abnormal receipts 1895—96. (Contribution for pumping water from Sankey's Tank).—1,500 abnormal receipts 1896-97. (1,000 Rs. forfeited by late lighting contractor plus 500 Rs. received from Miss Mullins).
Total Rs.....	2,36,049	

Heads of Expenditure.	Average expenditure for 3 years ending 31st March 1897 after deducting abnormal expenditure, &c.	Remarks accounting for difference between this statement and statement A.
Public Works.		
New works	13,469	—Rs. 16,268 on account of works as per statement attached.
Repairs	46,407	
Establishment	10,508	Being present sanctioned establishment
Tools and plant	583	
Miscellaneous	375	
Education.		
Grand-in-aid to primary schools	10,500	Being present sanctioned charges.
Building grants	78	
Sanitation and Medical Services.		
Hospitals and dispensaries	30,915	Do
Medical ... — Vaccination	5,631	Do
Medical ... — Registration of Births and Deaths ...		
Conservancy	88,367	— Do
Tank conservancy	1,594	Do
Cholera and other charges	1,858	
Laboratory	...	Included under medical.
Miscellaneous.		
Lighting	14,300	
Markets and slaughter houses	3,618	
Maintenance of avenues	427	
Public parks	1,876	
Pounds	1,485	
Hackney carriages	2,280	
Prosecution	1,640	
Fire engines	600	
Other charges	5,629	—Rs. 3,040 on account of charges as per statement attached.
Charitable grants	4,860	Being present sanctioned charges.
Acquisition of lands	1,225	
Supervision and Management.		
Salaries of officers	3,600	Do
Head office	8,494	Do
Assessment and collection	12,228	Do
Town duties	12,408	Do
Pensions and Gratuities.		
Pensions and gratuities	1,180	Do
Total Rs.....	2,86,135	

Statement of works referred to in Statement B against item of expenditure "New works" in column of remarks.

Names of works executed.	Cost.		
1894–95.			
Pumping water from Sankey's tank to 3 Reservoir	600	0	0
Alteration to sheep slaughter-house	3,934	14	10
Construction of tools house for Municipal parks and gardens	1,416	11	6
Constructing sunshades to Shoolay firewood stalls	112	10	5
Construction of a latrine in the Mayo Hall compound, &c.	714	6	10
Construction of stables in the Mayo Hall compound, &c.	915	10	4
Construction of an office for the Collector of Municipal taxes	1,840	9	4
Construction of a latrine and cubicles for cow-shed	612	3	8
Construction of cinerators	404	15	6
Constructing a new wall, culvert, shed, &c., at the public bandy stand	1,459	6	1
Fixing wire netting, &c., to the window of St. Andrew's clock tower	95	8	0
Levelling police drill ground	510	10	0
Improving Thumboo Chetty's Dispensary at the Bowring Civil Hospital ...	505	15	11
1895–96.			
Forming new road for conservancy carts along Shoolay Main Sewer from Palm Grove road to acqueduct No. 1	303	4	1
Improving floor of verandahs and stalls mutton market	708	0	2
Leantos to Division offices, Northern and Southern Divisions	1,808	11	7
Improvements to new market by having a verandah at back of fruit and vegetable stalls	2,416	6	0
Improving beef and egg market	2,572	2	2
Constructing butter churning and office rooms in the cow-shed, Victoria Park ...	613	3	9
Constructing kitchen room in the cow-shed, Victoria Park	133	14	0
Constructing firewood depot to cinerators	304	13	8
Constructing 2 additional rooms in the office of the Revenue Department, Mayo Hall.	1,128	6	10
Dismantling and reconstructing Conservancy Overseer's quarters on Oossoor road ...	1,303	7	6
Constructing a verandah in rear of clock tower, new market...	460	14	8
Alteration to sheep slaughter-house	482	4	0
Constructing milk-shed in new market	614	1	4
1896–97.			
Constructing Chutrum and hospital for pilgrims	5,992	1	2
Constructing isolation hospital attached to Bowring Civil Hospital	12,801	13	6
Constructing a room for peons on duty at the entrance gate of Bowring Civil Hospital	154	14	11
Constructing additional dairy rooms to the cow-shed	751	0	7
Improvements to revenue office	1,088	13	8
Constructing water closets in the egg market	1,112	9	10
Constructing flushing in tank on Main Sewer	929	2	4
Total for 3 years.....	48,803	12	2
Average for 1 year.....	16,268	0	0

Statement of charges referred to in Statement B. against item of expenditure "Other charges" in column of remarks.

Particulars.	Cost.		
1894–95.			
Remuneration to the Municipal valuator and clerk, also carriage hire to the Municipal Commissioners in the revision of H. and L. R. and profession tax ...	1,327	8	0
Extra establishment for preparation of plant, &c., of the proposed improvement to the Bowring Civil Hospital	300	0	0
Commission to Mr. S. Lescevich for the unconfirmed sale of ground in Sultanjee Guntah	182	8	0
Bonus to Mr. Abdul Rahman Saib, valuator	300	0	0
Cost of Photo—zincographing the map of Civil and Military Station, and City of Bangalore	904	8	0
Fee paid to Mr. Todd for preparation of map of Bangalore	600	0	0
Cost of lithographing 50 copies of plan and section of Main Sewer	75	12	0
1895–96.			
Charges incurred in connection with the Reception of His Excellency the Viceroy and Governor-General of India at Bangalore	5,430	1	0
Total for 3 years.....	9,120	5	0
Average for 1 year.....	3,040	0	0

Residency Press, Bangalore.—29-1-98.—60.

From the Assistant Secretary to the Government of India in the Foreign Department to the Resident in Mysore, dated Fort William, the 17th March 1898, No. 745 I/A.

I am directed to acknowledge the receipt of your letter No. 364, dated the 27th January 1898, regarding the Municipal taxation, and the resources and requirements of the Civil and Military Station of Bangalore.

2. The estimated normal revenue assuming that present receipts from excise are withdrawn, is, approximately, Rs. 50,000 less than the estimated normal expenditure. You represent that it is not at present possible to estimate with any accuracy the proceeds of the octroi, and you accordingly suggested that, for the year 1898-99, a subvention of Rs. 50,000 should be made, from the revenues of the assigned tract, to the Commissioners, in the expectation that, before the commencement of 1899-1900, the requirements and the probable proceeds of the octroi would be more accurately ascertained.

3. Under the circumstances explained in your letter, the Government of India prefer that the existing system as regards excise revenue should continue unchanged in 1898-99. It is understood that you agree to this and will furnish, in due course, a clearer exposition of the financial position of the Municipality with your views as to the resources from which any necessary funds should be raised when the excise revenue is withdrawn. I am, however, to state that the Government of India are not prepared to admit, as a sufficient reason for a subvention, the statement that the requirements of the Civil and Military Station are in excess of what can be met from the revenues as they exist. Before a subvention could be agreed to, it would be necessary to show conclusively that the Municipality are bearing a reasonable quantity of taxation and that no measures have been omitted which might secure financial equilibrium without extraneous aid. Special attention should be paid to the incidence of taxation per head of population. The note attached to your letter appears to indicate that the incidence of taxation in Bangalore is considerably lower than in other stations and sanitaria of equal importance. A detail which needs explanation is the nature of the local cess on arrack, toddy and ganja, mentioned in appendix XVIII (ii) of your letter 180 camp, dated the 9th May 1897. The proceeds of this cess are not included in the items of receipt given in statements A and B enclosed with your letter under reply, and are therefore presumably not a part of the Municipal income. They were, however, entered under the head "share of excise revenue enjoyed by the Municipality" in the above appendix.

4. You have also asked that a grant of Rs. 20,000 should be made, during the year 1898-99, from the revenues of the assigned tract, to meet a portion of the estimated cost of increasing the accommodation in the Bowring Civil Hospital. The Government of India recognise that the extention of the hospital is a matter of great local importance and are desirous of giving assistance in the matter. A further communication on the subject will follow.

RESIDENT'S OFFICE.

Serial No.

3

[DRAFT].—For approval.

No. 1749. En 2

Dated 31—3— 1898.

To

The Resdt. Magte.
C. M. S.M

Sir,

Sel

Letter No. 364 Dy. the 27. Jan: '98 fr the C. of S. Fr: Lagh: & Letter No. 745 Dy. the 17. Dec: '98 Ser

I am dir: to enclose a copy of the Commr's. Inquiry & Report regarding the Municipal Taxation and the Revenues & requirements of the C. & M. Districts and to ask for the favour of any Report thereon -

2. The Resdt would like to address the C. of S. on the subject Early in the month of May next & I am to ask that you will refer me to the Act & Section

Copies of

14/2873

I am &c

I. O. 4
6 —1,000—19-10-97.

No. 616 & Encl

CIVIL AND MILITARY STATION, BANGALORE,

MUNICIPAL OFFICE.

DATED 26 April 1898

FROM

A. M. SLIGHT, ESQUIRE, I. C. S.,

PRESIDENT, MUNICIPAL COMMISSION,

C. & M. STATION, BANGALORE.

To

The Asst. Secretary to the
Resident in Mysore
Bangalore

SIR,

S 3 / With reference to your
no: 1749. dated 31st Ultimo, I
S. 2 have the honor to observe
that in letter no: 745-I.A. dated
17th March 1898, the Government
of India required of conclusive
proof that the Municipality
are bearing a reasonable
quantity of taxation, and
that no measures have been
omitted which may secure
financial equilibrium
without extraneous aid.

294
93

(2). That special attention should be paid to the incidence of taxation.

(3). Detailed information with regard to the nature of the local cess on Kurnaek, Toddy, and Ganja

2. With regard to (1) I would remark that in my memorandum Paras 10-13 the only sources from which it might be possible to make provision on account of additional taxation were commented upon. In addition to what I have already stated on the subject I may mention that there is a very strong opposition on the part of the Communities to any increase in the direct taxation of house property for any purpose. Recently I have been endeavouring to get the incidence of the Conservancy cess shifted from the occupier to the owner, and although it was made clearly known

S. 1/6

that

that no additional duties as regards Conservancy were to be imposed on the owners, and that it would naturally be presumed that the owner would recover from his tenant, yet it was only after repeated attempts and with much difficulty that the Commissioners were persuaded to accept this proposal. Again when on an occasion in the year 1889, the then President proposed to increase the House Tax by 2½ percent, it was found impossible to obtain the sanction of the Commissioners to the increase. The house tax is at present 6 per cent. To this it is proposed to add 2 per cent. on account of Scavengering Cess, and an addition of 6 percent on account of a water rate and 1% towards general funds is contemplated. This would make in all a total of 15 percent direct taxation on house property. It may at once be assumed that proposals to bring

bring the taxation upon houses and lands up to 15%. will be received with the utmost satisfaction

As to the incidence of taxation (item (2) above), a comparative statement has been prepared and is herewith forwarded. From this statement it will be seen that the Civil and Military Station bears Municipal Taxation at present at a higher rate per head than such Towns as Cawnpore, Delhi & Lucknow or Bellary, Madura, and Trichinopoly and that under the conditions which I assumed in my memorandum as the basis on which to calculate the need of Government aid, the incidence of Municipal Taxation would be second only to that of Bombay among all those included in the statement. In this Connection it may not be out of place to point out that Bangalore is not the centre of any industry, and the trade of the station is

in

in the hands of a few of the
Wealthier inhabitants. As for
the majority of the inhabitants,
they depend for their livelihood
upon employment from month
to month in the service of
Government or private individuals;
there are many pensioners and
many followers attached to
offices and Corps and it can
hardly be expected that people
of this class should bear a
high rate of taxation. In the
Government of India letter
referred to it is remarked that
the incidence of taxation in
Bangalore appears to be considera-
bly lower than in other stations
and sanitaria of equal importance
The above facts seem to supply
ample refutation of this opinion
as regards Comparison with
large towns as well as ordinary
District stations both in Northern
India and in Southern India
It is difficult to draw a
Comparison between this station

and

and sanitaria, such as Ootacamand or Simla, because the incidence of taxation in the latter can only be reckoned on the population according to the census of 1891 which was taken in the month of February whereas a large number of the population who pay by far the higher tax reside in such station only between March and October. Taking Ootacamand however, the Revenue derived from Municipal rates and taxes amounts to Rs 43781 (for year ending 31st March 97) which on the census population of 15053 gives an incidence of Rs 2.14.6 per head. Even this it will be seen is lower than what has been estimated for the civil and military station.

4. With regard to the local fees on Arrack (item (3) above). In reference to your predecessor's letter no. 1447/1915 dated 24th May 1886 will afford complete information

S. 46
1916 '85

(a1) as to the transfer to the Municipalities

1894-95 - Rs: 26041-3-5 Revenue on this account has
1895-96 - " 26012-6-6
1896-97 - " 25924-13-1 been included in statements
A & B under the head of Grants
and Contributions "Government,"
the actuals for the three years
1894-95, 95-96, 96-97 are given
(a1)
on the margin.

I have the honor to be,
Sir,
Your most obdt servant
[illegible]
President

RESIDENT'S OFFICE.

Serial No.

Copy *File No.* 5

[DRAFT]--For approval.

Dated 4 Aug. *189* 8.

No.

To

My dear Cunningham.

Please refer to your letter

S. 2 No. 745. 8/9. of 17. March 1898 about municipal taxation here. I have not as yet received to your enquiries about incidence of taxation etc. as the Octroi has not as yet been introduced, and we shall not really know how the Octroi will work until this is in operation. I shall be glad if the G. of I. will allow me to keep over my further report on the financial position, which is required as a consequence of the decision to withdraw the present receipts from Octroi, until the outlook is clear and fairly assured. This will probably entail a further delay of from 12 to 18 months. The principle having been definitely accepted - viz. that the Municipality is not to benefit directly

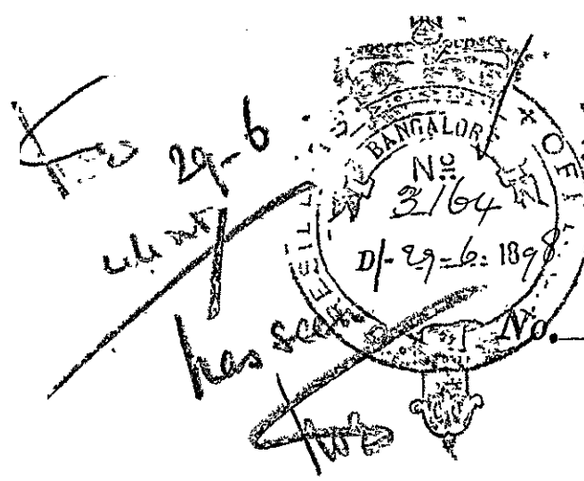
from the Income Revenue, and it being clearly understood that the present arrangement whereby excise dues are credited to Municipal Income is a temporary one, the G. of India may perhaps be induced to agree that there is no special urgency in the case, and that it may remain pending until a more accurate Estimate of Municipal resources can be prepared than is at present possible.

Yours truly.

Sd. Donald Robertson

P.S. In preparing the Calcutta Estimate we are somewhat hampered by having to move hand in hand with the Patna Municipality. It is very necessary to assimilate the rates in both the C. M. S. and the Patna, and frequent Conferences have been found to be obligatory. An amicable arrangement is I hope imminent

D. R.



For 29-6
Ch. Int
Has seen
Tue

J. 294 R 98

6

No. 1729- I.A.

A copy of the foregoing letter is forwarded to the Resident in Mysore for information, with reference to paragraph 4 of the letter from the Government of India in the Foreign Department, No. 745 I.A., dated the 17th March, 1898.

2.

By order, &c.,

D. Wimfield

Offg. Under Secy. to the Govt. of India.

FOREIGN DEPARTMENT,

SIMLA;

The 24th June 1898.

From the Government of India in the Public Works Department to the Director General of Military Works No. 110 A.C.W., dated the 17th June 1898.

G. C. Press, Simla.—No. 53 F. D.—15-4-98.—1,000.

294/98.

(Copy) 6 A 98f

Copy of a letter No. 110 A.C.W. dated the 17th June 1898 from the Government of India Public Works Department, to the Director General of Military Works.

In forwarding a copy of the correspondence noted in the margin, I am directed to state that the Government of India have sanctioned a contribution of Rs. 20,000 towards the cost of increasing the accommodation in the Bowring Civil Hospital at Bangalore and to request that this sum may be paid over to the Bangalore Municipality, and charged to the Imperial Civil Works grant.

1. Para 10 of letter from the Resident in Mysore No. 364 dated 27th January 1898, to the Government of India Foreign Department.
2. Para 4 of letter from Foreign Department to the Resident in Mysore No. 745 I.A. dated 17th March 1898.

2. An addition of Rs. 20,000 is hereby made to the grant for Imperial Civil Works which will now stand at Rs. 6,99,499.*

* Rs.
India 6,98,849
England 650
6,99,499

RESIDENT'S OFFICE.

Serial No.

File No.

[DRAFT]--For approval.

7

Dated 14-7-1898

No. 3428

To The President, Municipal Commission,
C/o The Station Hospital

Sir,

In continuation of previous correspondence regarding the improvements to the Bowring Civil Hospital, I am with special reference to the detailed report of the proceedings of the Municipal Commissioners dated the 20th May last on the subject I am directed to state that at the request of the Resident the Govt. of India have been pleased to give a contribution of Rs 20,000/- towards the cost of increasing the accommodation in the hospital, & have requested the Director General of Military Works pay over this sum to the Municipal

I have, &c

First

12-8. File 141

93

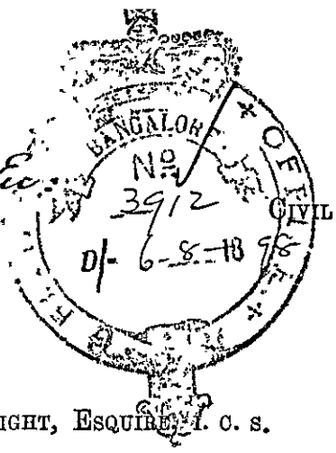
A copy of Sec. No. 90 of file 94/93 of this letter will be placed in file No. 141/93

A.S. 12-7-98.

8

H. O.
6
1,000—18-6-98.

No. 2997 Ex.



CIVIL AND MILITARY STATION, BANGALORE,

MUNICIPAL OFFICE.

DATED 3 August 1898.

FROM

A. M. SLIGHT, ESQUIRE, I. C. S.

President, Municipal Commission,

C. & M. Station, Bangalore.

To

The Chief Assistant to the Resident
in Mysore.

SIR,

SC 7

With reference to your letter No. 3428/294-98 dated 14th July 1898, I have the honor to forward herewith copy of Commissioners' Resolution No. 3 dated 28th idem, and to state for the information of the Resident that arrangements are in progress for the construction of European and Non-Caste, and Surgical and Medical Wards at a cost of Rs 10,000/- Each.

I have the honor to be,
Sir,
Your most obedient Servant

T. Baker Captain
for President.

ceb

8 A

Abstract of Proceedings of an Ordinary Meeting of the Municipal Committee Berar Camp :- Dated 29th July 1898

---

3. Letter No. 3428-29 4-98 dated 14th July 1898 from the Civil Assistant to the Resident intimating that the Government of India have been pleased to Contribute Rs 20,000/- towards the cost of improving the Berar Civil Hospital accomodation

Proposed by the President, seconded by Mr. Newsham

That the thanks of the Commission be tendered to the Government of India for the grant of Rs 20,000/- and that the amount be devoted to the construction of European and Non-caste, and Surgical and Medical Wards at a cost of Rs 10,000/- each, as provided for in the general Scheme for the extension of the Berar Civil Hospital.

Resolution - Carried unanimously

W. Ashworth
President.

Copy
T. Baker. Captain
Secretary.

CWD

RESIDENT'S OFFICE.

Serial No.

File No. 9

[DRAFT].—For approval.

No. 4401 - E

Dated 2- Sept 1898.

To

Foreig.

Sir.

9 6

Lrhr ref. to your office endorsr. Nr 1726 I/

dated the 24th June forwarding copy of a

letter from the G. of I. P.W.D to the Dir:

Genl. of Mil: Works. regarding a contrib:

of Rs 20000 towards the cost of increasing

the accommod: ~~of~~ in the B.C. Hospital

I have the h- to state that the purport

thereof was communicated to the Munl:

Commr: of the C & M Station who

have ~~seem~~ passed the resolution of

which I beg to enclose a copy-

Nr 110 A.C.W

dd 17-6-98

FWS 28/8

Resn

RESIDENT'S OFFICE BANGALORE No. 4563 D/ 7-9-1898

10 H.O.

-1,000—18.6.98.

No. 5/81

CIVIL AND MILITARY STATION, BANGALORE,

MUNICIPAL OFFICE.

DATED 3rd September 1898.

FROM

A. M. SLIGHT, ESQUIRE, I. C. S.

President, Municipal Commission,

C. & M. Station, Bangalore.

To

The First Assistant to the Resident in Mysore

BANGALORE.

SIR,

In continuation of my No.2997 dated 3rd August 1898, I have the honor to state for the information of the Resident that the sum of Rs.20000 (Rupees Twenty Thousand) sanctioned by the Government of India towards the cost of increasing the accommodation in the Bowring Civil Hospital has been received from the Executive Engineer, Bangalore Division, Military Works and credited in the accounts of my office under the marginally noted heading newly opened for the purpose.

Part IV-Grant and Contributions. 1.Government (g) Contribution for B.C.Hospital improvements.

2. A corresponding Budget Head Viz, Grant I Public Works 1 New Works (b) .Buildings 5.B.C.Hospital Improvements has also been opened for tne purpose of recording the details of expenditure incurred in this connection.

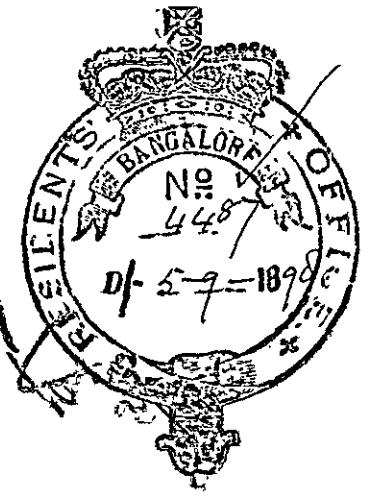
I have the honor to be,

Sir,

Your most obedient servant,

T. Baker, Captain,

for President.



Simla
The 29th August 1898.

11

Recd 8/9

Yes Clarke - You had better write to Robertson & tell him that I have received his letter - I read it with interest - Ed Law 8/9.

My dear Robertson

S. 5

S. 2

Your demi-official letter of the 4th July asks for an extension of time in which to submit the report called for in our letter, No. 745 I. A., dated the 17th March 1898, regarding the financial position of the Bangalore Municipality and the taxation to be imposed when the excise revenue is withdrawn.

The latter event cannot be postponed beyond the date already fixed

fixed, viz, the close of the current year. It is therefore essential that your report should be submitted with as little delay as possible. The extension of the octroi system was suggested* as long ago as September 1896, so that the Municipality have only themselves to blame that it has not already been introduced. They must face the problem of meeting their expenditure and not trust to Government relieving their difficulties by subventions. You should accordingly press vigorously the necessary negotiations and arrangements regarding the imposition of an octroi rate.

Sg 34 Apl 94 A 93
Dg 26 Sept 94 93

*Vide our letter No. 2997 A.A., dated the 26th September 1896.

Yours sincerely
W. Cunningham

To Lieutenant-Colonel D. Robertson,
Resident in Mysore.

Class. S | INDIAN TELEGRAPH. | Monthly Local No. 117

To Station: Hussain | From Station: Calcutta

Words.	Day.	Hour.	Minute.	Official Instruction.
103 1/3	16	15	5	[illegible]

To (Person): [illegible] - Amir [illegible] Port Hassan

From (Person): Foreign

Demi official plague expenditure before
according to must- more
than one third of-
expenditure for
general revenues
Government must- have

Recd. from	L. N.	Sent to	L. N.
At Hrs. Mts. By		At Hrs. Mts. By	

Date *Postmaster.*

RATES OF CHARGE FOR INLAND TELEGRAMS.

The address (including name of Sender, and name and residence of Addressee) is transmitted free.

	First 8 words.	Each additional word.	
Deferred Message	... 8 Annas	... 1 Anna.	A group of 3, or less figures, is reckoned as one word.
Ordinary „	... 1 Rupee	... 2 Annas.	
Urgent „	... 2 Rupees	... 4 Annas.	

No charge for delivery within a distance of 5 Miles.

Class. | INDIAN TELEGRAPH. | Monthly Local No.

To | From

Station | Station

Words.	Day.	Hour.	Minute.	Official Instruction.

To (Person) | From (Person)

1 four informations regarding
2
3 Government positions of
4
5 Municipality vide my
6
7 letter 745 seventeenth
8
9 March last- and dear
10
11 office letter 29 August
12
13 last. Trace of letter
14

Recd. from	L. N.	Sent to	L. N.
At Hrs.	Mts. By	At Hrs.	Mts. By

Date *Postmaster.*

RATES OF CHARGE FOR INLAND TELEGRAMS.

The address (including name of Sender, and name and residence of Addressee) is transmitted free.

	First 8 words.	Each additional word.	
Deferred Message	... 8 Annas	... 1 Anna.	A group of 3, or less figures, is reckoned as one word.
Ordinary "	... 1 Rupee	... 2 Annas.	
Urgent "	... 2 Rupees	... 4 Annas.	

No charge for delivery within a distance of 5 Miles.

Class. | INDIAN TELEGRAPH. | Monthly Local No.

To | From

Station | Station

Words.	Day.	Hour.	Minute.	Official Instruction.

To (Person) | From (Person)

1 that repeal- ATA. I

2

3 recognize your circumstances

4

5 but- Excise revenue will

6

7 be withdrawn This year

8

9 and no proposals yet-

10

11 received for re-arranged

12

13 taxation. Let Assets

14

Recd. from	L. N.	Sent to	L. N.
At Hrs.	Mts. By	At Hrs.	Mts. By

Date *Postmaster.*

RATES OF CHARGE FOR INLAND TELEGRAMS.

The address (including name of Sender, and name and residence of Addressee) is transmitted free.

	First 8 words.	Each additional word.	
Deferred Message	... 8 Annas	... 1 Anna.	A group of 3, or less figures, is reckoned as one word.
Ordinary "	... 1 Rupee	... 2 Annas.	
Urgent "	... 2 Rupees	... 4 Annas.	

No charge for delivery within a distance of 5 Miles.

Class. | INDIAN TELEGRAPH. | Monthly Local No.

To | From

Station | Station

Words.	Day.	Hour.	Minute.	Official Instruction.

To (Person) | From (Person)

1 Final Requisition
2
3 to Condition Rice Store
4
5 Meanwhile please
6
7 Estimate also Imitation
8
9 Constitution Cup 9
10
11 Class Lungi ing about-
12
13 existence to prepare Scheme
14 to Office out-Lingers.

Sent from L. N. | Sent to L. N.

At Hrs. Mts. By | At Hrs. Mts. By

HASSAN JAN 16 99 Date

Postmaster.

RATES OF CHARGE FOR INLAND TELEGRAMS.

The address (including name of Sender, and name and residence of Addressee) is transmitted free.

	First 8 words.	Each additional word.	
Deferred Message	... 8 Annas	... 1 Anna.	A group of 3, or less figures, is reckoned as one word.
Ordinary "	... 1 Rupee	... 2 Annas.	
Urgent "	... 2 Rupees	... 4 Annas.	

No charge for delivery within a distance of 5 Miles.

Post Copy

13

From Camp. via Hassan. To Calcutta/

Resident Mysore. " Foreign

State Deferred 17. 1. 1899.

Demi official. thanks for your demi.

SE W official telegram of 16. about funds Bangalore Plague expenditure. will submit report required by 25. I had purposely delayed submission as Plague expenditure has temporarily at any rate completely disorganized municipal finances. It is important to remember that municipal funds are inadequate to bear even moiety of Plague Expenditure without assistance from Government On reconsideration I think Captain Roe Royal Engineers now Chief Plague officer

Bangalore could prepare scheme of extension

will require

(Sd) D. Robertson.

RESIDENT'S OFFICE.

TELEGRAM.

Copy

~~[DRAFT.]~~ ~~For approval.~~

14

Dated 18/11/1899.

~~Despatched~~

From Narasipur. (Hassan) Sl 2

From Resident

To Bangalore Sl 11

To 1st Assistant Resident

OFFICIAL INSTRUCTIONS.

Foreign telegraph that before deciding apportionments plague expenditure, Government must have full report on Municipal resources, See foreign letter 745 Seventeenth March last, and Cunninghams demi official 29th August; please get out all papers immediately, and consult Slight personally, then prepare note which Cadell can bring Mysore with all connected papers. I have promised full report by 25 Foreign say excise contribution will be taken away from Municipality next year. It would be convenient if your note dealt with question first from point of view Municipal finance independent of plague Viz assuming it not existent, and next Shewing how situation which was formally bad enough if deprived of excise receipts is hopeless now. please consider this matter very urgent. Cadell leaves

leaves for Mysore 21" and
should bring all papers with
him perhaps convenient if
Captain Baker could also
come in case information
supplied about accounts
deficient. Shew Cadell this.
complete information will be
required about Octoroi and
also water rate.

HL 18.1.99

15

From COLONEL D. ROBERTSON, C. S. I., Resident in Mysore, to the Secretary to the Government of India, Foreign Department, dated 30th January 1899, No. 416.

I have the honor to acknowledge the receipt of your letter No. 745, I. A. dated 17th March 1898, regarding the financial affairs of the Municipality in the C. & M. Station of Bangalore. I did not at once reply to this letter as I was anxious to allow the Commission time in which to mature their plans for the imposition of an extended octroi, and pending the final settlement of this scheme, it seemed difficult to estimate with any pretence at accuracy what the financial effect would be. Proposals of an incomplete nature reached me in September 1898 necessitating further reference to the Commission, and I much regret that owing to the dilatory manner in which the proposals have been handled by them I am even now not in possession of their final proposals, though I understand that a special meeting has been convened for their discussion, and that I may expect shortly to receive them. In submitting the present report, I wish, under the circumstances explained, to make it clear that the estimate for a larger income from octroi than has hitherto been derived is nearly approximate.

2. With my letter No. 364, dated 27th January 1898, I forwarded what appeared to me fairly complete information regarding the position of the Municipality based upon the average of the past 3 years, understanding that what the Government of India mainly desired was to obtain clear evidence as to the effect upon the finances of the Commission consequent upon the proposed withdrawal of the contributions from Excise Revenues which have been enjoyed since 1872. I assumed, mistakenly as it now appears, that it was merely necessary to show that to deprive the Commission of what had come to be regarded as a certain and substantial portion of their income, would probably be to cripple their efficiency, the presumption *ab initio* being that they had not sufficient revenue independent of these registration and license fees.

3. The whole question has since been carefully examined, and I now proceed to discuss the following points:—

(*a*) The general financial position.

(*b*) The possibility of raising more revenue.

(*c*) The incidence of taxation, and believe I shall have no difficulty in showing that if the registration and license fees are withdrawn, equilibrium will barely be maintained, whilst, in its straitened circumstances the Municipality will have no power to carry out many urgently needed improvements and that if, additionally the local cess alluded to in para 3 of your letter is taken away, the Municipal corporation will speedily become insolvent.

4. As regards the general financial position, two statements marked respectively A & B are enclosed which shew the actuals of revenue and expenditure during the past 4 years, and also (vide statement B) the averages based on the same period eliminating those items on both sides of the account which are not expected to recur. To deal first with statement A. During the first 4 years, whilst the revenue has only increased by about Rs. 13,000, the expenditure has advanced from Rs. 2,23,997 to Rs. 3,09,544, or more than Rs. 85,000. It will be seen that the increases are confined to objects of obvious importance, *viz.*, public works account for about Rs. 17,000; education, 2,000; sanitation and medical services, 62,000. There has been no increased expenditure on schemes which could have been postponed or were not urgently required for the health and well-being of the station. Nor have there been any undesirable and unnecessary additions to salaries. The increase in the assessing and collecting establishment, were for special objects and obligatory. Disregarding the averages which are, under altered circumstances, likely to be misleading and looking merely to the figures on both sides for 1896-97 and 1897-98, we may assume that the revenue and expenditure both about Rs. 3,00,000, approximately balance each other. It is not, I consider, necessary to

refer to the cash reserve of the Municipality which at the time of my former report was Rs. 85,000. If the Commission is to be held liable for even half the expenditure on Plague up to the end of the current official year, this balance will disappear, whilst, under ordinary conditions, the amount would doubtless be utilized during the next year or two, and cannot in any case affect the normal receipts and expenditure.

5. Turning now to a consideration of how the account will stand when the changes now either ordered or in contemplation take affect. Statement B, gives the total receipts as Rs. 2,38,864 and the expenditure Rs. 2,90,229, a difference of Rs. 51,365. On the first page of the account, there are omitted (a) profession tax formerly payable by the Military, Rs. 2,500 and (b) registration and license fees about Rs. 43,500, or a total of Rs. 46,000. On the expenditure side in order to present as far as possible a normal statement, a deduction of Rs. 14,697 has been made from new works and Rs. 2,777 from other charges unlikely to recur.

6. It remains now to be seen what steps can be taken to increase the receipts up to the sum necessary to balance the expenditure, and it will be convenient first to consider exactly what sum is required to meet all charges :—

(1) The new water supply maintenance is expected to cost Rs. 65,000.

(2) The extension of octroi will require Rs. 6,592 plus Rs. 2,400, if the proposal for part payment of the excise *cum* octroi superintendent (as suggested in my letter No. 140 dated 12th January 1899) is sanctioned.

(3) The enlargement of the Bowring Hospital will necessitate an increased establishment &c., costing Rs. 13,000.

If items (1), (2) & (3) just mentioned are added to the normal expenditure, the grand total will amount to Rs. 3,77,221.

I now revert to the provision of funds necessary to meet this expenditure.

(*a*) We shall realize 62,000 in the 6 per cent tax on houses, buildings and land instead of 51,298, or an increase of Rs. 10,702.

(*b*) Octroi may bring in 1,00,000 in lieu of 44,020, a gain of Rs. 55,980.

(*c*) Under section 42 of the Municipal law, 1897, a tax of 2 per cent for conservancy purposes will bring in about 20,000, of which Rs. 15,000 is already realized in another form—a net gain of Rs. 5,000.

(*d*) Under section 43, the Commission propose a water tax of 5 per cent to bring in Rs. 45,000. These proposals have not as yet reached me officially, but I understand that certain exemptions are contemplated and that they will consequently yield less than 5 per cent on the rateable annual value.

If we add items (a) (b), (c) and (d) on the receipts side to the total of Rs. 2,38,864, we arrive at a grand total of Rs. 3,55,546.

Rs.	2,38,864	
,,	10,702	(a)
,,	55,980	(b)
,,	5,000	(c)
,,	45,000	(d)
	3,55,546	

7. On this showing, the deficit is Rs. 21,675, caused mainly by the short yield of the water rate (Rs. 45,000) compared with the expenditure Rs. 65,000. As I have mentioned, the proposals of the Commission have not as yet reached me ; when they do, I shall certainly invite attention to the necessity for realizing enough by taxation to cover the expenditure on maintenance. Looking to the fact that no charge on account of interest for the capital expenditure involved in the water supply project devolves upon the Commission, they may reasonably be compelled, if necessary, to bear their full share of the cost of maintenance. Being for the most part house owners, their sense of public duty is probably obscured by a selfish regard to their pockets. Assuming that this expenditure is met in full by the Municipality, there will still be an excess of expenditure over receipts to the extent of Rs. 1,600

odd, but for the sake of argument I am prepared to accept both sides of the account as exactly balancing. It is obvious that such a position would be extremely unsatisfactory. We are taking a step in the dark as regards octroi, and if the yield is short of expectations, a deficit must inevitably result. It will further be seen that the provision for new works is very meagre and that a budget framed on such lines practically means stagnation in Public Works. This too to mention some of the prominent requirements when many parts of the bazaar are in a most insanitary condition, requiring a large and continuous expenditure, when the present system of drains is admittedly defective and when the Bowring Hospital demands extension and improvement at the earliest possible date.

8. A remedy can be found in one of two ways—either in reducing fixed expenditure or by increasing the income. Most of the expenditure has been so recently revised that I do not think any material reduction would be found possible. It is therefore only necessary for me to consider in what matter the income might be increased. It is obvious that this could only be accomplished by means of one of the taxes enumerated in sections 41, 42 or 43 of the Municipal Act. To take first section 41; following the order therein observed; (*a*) as regards a tax on buildings and lands, the total amount to be collected provided the water expenditure is fully met, will be 15% on the annual value, *e. g.* 6% the present house tax plus 2% for conservancy plus 7% for water. To take any more would occasion serious opposition from all classes of house owners; (*b*) we already tax professions; (*c*) a tax on vehicles &c. kept in the station has been vetoed as likely to produce very little in comparison with the cost of collection; (*d*) the same argument applies to a tax on vehicles etc, entering the station; (*e*) the present octroi is about to be extended. There remains (*f*) "any other tax." Taxes are either levied or proposed to be taken under section 42 and 43 of the Municipal Law. As regards (*f*) I am unable at present to propose any suitable tax in addition to those already taken. It would doubtless be an easy matter to invent a further impost of some sort, but this brings me at once to the capacity of the people to bear extra taxation and to the incidence per head of the population as it will stand when the proposals already discussed are brought into operation.

9. Mr. Slight has furnished a statement, copy enclosed, showing the incidence of taxation in 14 Municipal Towns, from which it would appear that the incidence in Bangalore is higher than in any one of the towns * named with the exception of Calcutta and Bombay. There are thus sufficient grounds for believing that the taxation in the C. and M. Station will, with the octroi and water-tax be sufficiently high. Apart from this it is well known that Bangalore is not a rich town. It does not contain the centre of any large industry, most of the lucrative trade is in the hands of a few prominent persons and the population is largely composed of camp followers and pensioners or their descendants, many of whom lead a more or less hand to mouth existence. Nor is there anything in Bangalore closely corresponding to the conditions obtaining at Ootacamund or in any of the Himalayan stations. The President of the Municipal Commission believes, and I agree with him, that the taxable limit has for the present at any rate, been reached in the C. and M. Station, not only for the reasons already stated, but also because a large number of the people have still to bear expenditure in order to enable them to conform to the recent Sanitary Regulations in connection with private drains, privies etc. Additionally it may be stated that the Plague has hit a number of poor people very hard and that their financial recovery must be slow.

*Bombay, Howrah, Poona, Madras, Agra, Cownpore, Delhi, Madura Lucknow, Bellary, Trichinopoly, Calicut, Salem and Bangalore.

10. In para 3 of your letter under acknowledgment details of the "Local Cess" on Arrack, Toddy and Ganja are asked for. It is shown under the heading of grants and contributions. In this connection I would invite reference to Foreign Department (Internal) letter No. 984 T., dated 23rd March 1886, in accordance with which the local cess was made over to the Municipality. The average yield for the past 4 years has been about Rs. 25,000. I do not think that the Municipal claim to this cess can be considered much stronger than the one to registration and license fees which has been disallowed. If, however, a further sum of Rs. 25,000 be deducted from Municipal income, the situation will be worse than I have endeavoured to depict it.

11. I hope the information supplied will now enable the Government of India to come to a final decision on the main point at issue, and to endorse the conclusions at which I have arrived that, if deprived of a considerable portion of their present

income, the Municipality will be unable to perform its functions efficiently, that otherwise than by means of an octroi there is no immediate prospect of an increased revenue and that the people are unable to bear any greater burden of taxation.

12. It would not be becoming were I to attempt to re-open the question of the desirability of permitting the Municipal Commission to retain the contributions they now receive from the excise revenues, but I may perhaps be allowed respectfully to urge that the assertion of the principle involved in the well known distinctions between imperial and local revenue is hardly necessary in the present case, seeing that the revenues derived from the tract assigned to the British Government for administrative purposes are not strictly imperial; for the Government of India has expressly disclaimed any intention of deriving advantage therefrom and has moreover agreed that they shall be expended for the benefit of the tract in which they are raised. If, however Government feel that an adherence to the decisions already arrived at is imparative, I would venture to suggest that the Municipality be allowed to retain the local cess and that, in return for the registration and license fees which they surrender, they be relieved of the charge of the Bowring Hospital, involving a yearly expenditure of about 40,000, with a further liability for extending the premises of about 50,000 of which the Government has already paid Rs. 20,000. This suggestion not only presents a fairly satisfactory compromise, but it also takes into account the condition imposed by para 5 of Foreign Department letter No. 1102 I., dated 3rd May 1883 under which "the maintenance of the Hospital in a satisfactory state by the Municipality be considered to be a condition of the continued surrender to the Commission of the license fees." Moreover, it would be decidedly advantageous if only as a means of securing professional inspection, to bring this Hospital directly under Government control. The idea that local self Government would be promoted in any way by making over the Bowring Hospital to the Municipality has been entirely dissipated by the practical results of this transfer. The Residency Surgeon enjoys an entirely unsupervised independence, and any attempt on the part of the Municipality to exercise their right of overlooking his proceedings is keenly resented and opposed. This position in view of the fact that the management of the Hospital appears to be susceptible of improvement cannot be regarded as entirely satisfactory.

15

Statement of work referred to in Statement B against item of expenditure "New Works" in column of remarks.

Names of works executed.	Cost.		
	Rs.	A.	P.
Total for 3 years 1894-95, 1895-96, 1896-97 & 1897-98	48,803	12	2
Constructing road from Borebank road to Tannery road	813	13	4
Dismantling and reconstructing the compound wall of bandy stand on Sultanjee Guntah road	237	13	4
Additions to cow shed	560	10	10
Isolation Hospital attached to B. C. Hospital	1,119	7	4
Erection of compound wall around the proposed Hospital for women and children	958	15	10
Constructing partition wall for Isolation Hospital wards	283	8	1
Proportionate share of cost of maintenance of temporary water supply ...	6,008	9	8
Total for 4 years...	58,786	10	7
Average for 1 year...	14,696	10	8

Statement of charges referred to in Statement B against item of expenditure "other charges" in column of remarks.

Particulars.	Cost.		
	Rs.	A.	P.
Total for 3 years 1894-95, 1895-96, 1896-97 & 1897-98	9,120	5	0
Charges on account of Diamond Jubilee	1,987	0	0
Total for 4 years...	11,107	5	0
Average for 1 year...	2,776	13	3

Statement showing the population and the annual income of several Municipalities together with incidence of taxation per head of population, referred to in letter No. 616 dated 26th April 1898 to 1st Assistant Resident.

1	2	3	Description of Tax.				8	9	
No.	Name of Municipality.	Population.	4 Town duties or octroi.	5 House Lighting and water rates.	6 Profession tax.	7 Miscellaneous taxes.	Total income.	Incidence of taxation per head of population.	Remarks.
1	Bombay	8,21,764	6,45,144 0 0	39,41,862 0 0	... ...	2,46,681 0 0	48,33,687 0 0	5 14 1	In this statement all Government grants &c. have been included and direct Municipal taxation only taken into consideration.
2	Howrah	1,16,606	....	2,28,991 0 0	8,662 0 0	1,08,352 0 0	3,41,005 0 0	2 14 9	
3	Poona	1,18,790	1,43,477 0 0	54,960 0 0	769 0 0	42,219 0 0	2,41,425 0 0	2 0 6	
4	Madras	4,52,518	... ...	6,98,654 0 0	69,992 0 0	1,11,693 0 0	8,80,339 0 0	1 15 1	
5	Agra	1,68,662	2,22,983 0 0	40,256 0 0	... ...	28,056 0 0	2,91,295 0 0	1 11 7	
6	Cawnpore	1,63,779	16,196 0 0	... ...	67,642 0 0	1,87,881 0 0	2,71,719 0 0	1 10 6	
7	Delhi	1,90,065	2,60,402 0 0	... ...	... ...	9,167 0 0	2,69,569 0 0	1 6 8	
8	Madura	87,428	... .	72,226 0 0	14,023 0 0	30,013 0 0	1,16,262 0 0	*1 5 3	
9	Lucknow	2,67,910	2,78,980 0 0	4,252 0 0	... ...	10,845 0 0	2,94,077 0 0	1 1 6	
10	Bellary	59,467	... ...	27,818 0 0	9,714 0 0	16,246 0 0	53,778 0 0	*0 14 6	
11	Trichinopoly	90,609	... ...	37,806 0 0	12,097 0 0	22,556 0 0	72,459 0 0	*0 12 10	
12	Calicut	66,078	... .	32,811 0 0	8,236 0 0	8,089 0 0	49,136 0 0	*0 11 11	
13	Salem	67,710	... .	20,576 0 0	11,618 0 0	15,380 0 0	47,574 0 0	*0 11 3	
	1897—98. ...	1,00,081	39,192 0 0	65,615 0 0	11,271 0 0	46,175 0 0	1,62,253 0 0	1 9 11	
14	C. & M. Station Bangalore. { As proposed in note by the President.	1,00,081	1,00,000 0 0	1,47,000 0 0	9,607 0 0	34,000 0 0	2,90,607 0 0	2 14 5	

* Extract from Proceedings of Government of Madras Nos. 2858-2859 M dated 31st December 1897.

BANGALORE,
26th April 1898

(Signed) A. M. SLIGHT,
President, Municipal Commission,
Civil and Military Station, Bangalore.

Revised Statement A.—Showing actual receipts under various heads for four years ending 31st March 1898 and the average annual amounts thereof.

HEADS OF RECEIPTS.	Actuals for 1894-95.	Actuals for 1895-96.	Actuals for 1896-97.	Actuals for 1897-98.	Average for 4 years ending 31st March 1898.
Rates and Taxes.					
Tax on professions and trades ...	15,835	7,699	13,622	11,271	12,107
Tax on houses, buildings and lands ...	48,916	52,506	51,974	52,878	51,568
Lighting tax	11,896	12,664	12,528	12,787	12,456
Town duties	47,130	45,958	43,799	39,192	44,020
Revenue derived from Municipal property &c.					
Rent of lands and buildings	10,807	10,585	11,045	10,920	10,839
Sale proceeds of land	7,921	...	...	...	1,980
Fees	30,777	31,773	34,899	34,954	33,100
Produce of lands	964	1,127	1,237	1,132	1,115
Sale of old materials and wood ...	228	684	867	208	497
Miscellaneous license and Registration fees.					
Fixed registration fees	13,529	13,014	13,249	14,069	13,465
License fees on excess sale of beer and arrack	28,736	31,237	31,064	27,270	29,577
Other miscellaneous	7,065	7,100	6,264	5,917	6,586
Conservancy receipts	6,025	9,295	20,657	29,430	16,352
Process fees	741	1,627	1,613	1,746	1,432
Fines...	2,142	1,485	1,623	1,588	1,709
Interest on fixed deposit	200	194	674	2,736	951
Grants and Contributions.					
Government	45,540	44,609	46,939	42,964	45,013 (includes ₹23,700 being local cess on abkari)
Pensionary contributions	2,171	1,733	2,372	2,403	2,170
Miscellaneous.					
Quarry licenses	72	72	53	72	67
Fees under hackney carriage rules ...	3,427	3,407	3,268	3,065	3,292
Cattle pound fees...	1,777	1,656	2,120	1,731	1,821
Sale of copies of Municipal Regulations and Bye-laws	17	1	...	53	18
School fees	41	65	54	56	54
Town duty miscellaneous receipts ...	96	46	26	41	52
Refund from expenditure prveious years...	69	3	229	1,634	484
Extraordinary	133	745	2,686	1,396	1,240
Total...	2,86,255	2,79,285	3,02,862	2,99,463	2,91,966

Revised Statement A.—Showing actual expenditure under various heads for four years ending 31st March 1898 and the average annual amounts thereof.

HEADS OF EXPENDITURE.	Actuals for 1894-95.	Actuals for 1895-96.	Actuals for 1896-97.	Actuals for 1897-98.	Average for 4 years ending 31st March 1898.
Public Works.					
New works	18,611	28,184	42,416	29,207	29,604
Repairs	41,478	42,498	55,242	48,678	46,974
Establishment	11,159	4,007	10,212	10,248	8,906
Tools and plant	570	726	454	486	559
Miscellaneous	373	296	455	181	326
Education.					
Grants-in-aid to primary schools ...	7,444	7,726	8,528	9,682	8,345
Building grants	...	...	235	169	101
Sanitation and Medical Services.					
Hospitals and Dispensaries ...	26,484	27,659	28,989	31,564	28,674
Vaccination	2,289	2,708	3,128	3,899	3,006
Registration of births and deaths ...	719	1,193	1,333	1,076	1,080
Conservancy	41,224	51,676	70,097	87,709	62,677
Cholera and other charges	...	2,867	2,706	8,735	3,577
Deputation of Surgeon-Major Ross ...	...	...	10,924	...	2,731
Laboratory	...	...	486	198	171
Miscellaneous.					
Lighting	15,220	12,287	15,390	17,303	15,050
Markets	2,266	3,542	2,225	2,481	3,742
Slaughter houses	1,180		1,642	1,631	
Maintenance of avenues	306	557	417	480	440
Public Parks	2,054	1,633	1,941	1,959	1,897
Pounds	1,490	1,484	1,481	1,490	1,486
Hackney carriages	2,258	2,287	2,296	2,474	2,329
Prosecution charges	1,502	1,806	1,611	1,806	1,681
Fire engines	...	20	18	294	83
Other charges	10,908	11,790	3,309	6,004	8,003
Charitable grants...	3,985	4,160	4,793	5,410	4,587
Acquisition of lands	3,000	520	155	520	1,049
Supervision and Management.					
Salaries of officers	3,600	7,215	3,600	3,600	4,504
Head office	8,081	6,691	8,582	7,636	7,747
Assessment and Collection ...	6,899	8,921	13,186	11,873	10,220
Town duties	10,811	11,316	11,831	11,649	11,402
Pensions and Gratuities	86	1,660	959	1,102	952
Total...	2,28,997	2,45,431	3,08,641	3,09,544	2,71,903

Revised Statement B.—Showing average annual receipts with explanation to account for differences between amounts shown herein and amounts shown as averages in Statement A.

HEAD OF RECEIPTS.	Average receipts for 4 years ending 31st March 1898 after deducting abnormal receipts, &c.	Remarks accounting for difference between this statement and statement A.
Rates and Taxes.		
Tax on professions and trades ...	9,607	—Rs. 2,500, Military profession-tax.
Tax on houses, buildings and lands ...	51,298	—Rs. 270, Government buildings.
Lighting tax	...	Do.
Town duties	44,020	But not leviable under Municipal Law Included in the 6 per cent, now taken as house property instead of 5 per cent.
Revenue derived from Municipal property &c.		
Rent of lands and buildings ...	10,839	
Sale proceeds of land	...	—Rs. 1,980, there being no lands for sale.
Fees (slaughter house, market, bandy stand and firewood and cattle stand)...	33,101	
Produce of lands	1,115	
Sale of old materials and tools ...	497	
Miscellaneous License & Registration fees.		
Fixed registration fees	...	Omitted, not leviable under Municipal Law 1897.
License fees on excess sales of beer and arrack	...	
Other miscellaneous fees	6,586	
Conservancy receipts	25,044	The average of 2 years, 1896-97 and 1897-98 has been adopted.
Process fees	1,432	
Fines	1,709	
Interest on fixed deposit	...	Omitted, the deposits having been brought to current account.
Grants and Contributions.		
Government	45,013	
Pensionary contributions	2,170	
Miscellaneous.		
Quarry licenses	67	
Fees under Hackney carriage rules ...	3,292	
Cattle pound fees	1,821	
Sale of copies of Municipal Regulations Bye-laws	18	
School fees	54	
Town duty miscellaneous receipts ...	52	
Refund from expenditure previous year.	484	
Extraordinary	645	—Rs. 2,379-0-0. Made up of Rs. 1,929 as per previous statement B plus Rs. 450, received from Miss Mullins. *Vide* statement attached to Resident's letter No. 364, dated 27th January 1898.
Total...	2,38,864	

Revised Statement B.—Showing average annual expenditure with explanation to account for differences between amounts shown herein and amounts shown as averages in statement A.

HEADS OF EXPENDITURE.	Average expenditure for 4 years ending 31st March 1898 after deducting abnormal expenditure &c.	Remarks accounting for difference between this statement and statement A.
Public Works.		
New works	14,907	—Rs. 14,697 on account of works as per statement attached.
Repairs	46,974	
Establishment	10,508	Being present sanctioned establishment.
Tools and Plant	559	
Miscellaneous	326	
Education.		
Grant-in-aid to Primary schools ...	10,500	Being present sanctioned charges.
Building grants...	101	
Sanitation and Medical Services.		
Hospitals and Dispensaries	30,915	Being present sanctioned charges.
Medical { Vaccination		
Medical { Registration of births & deaths.	5,631	Do.
Conservancy	88,367	Do.
Tank conservancy	1,594	Do.
Cholera and other charges	3,577	
Laboratory	...	Included under Medical.
Miscellaneous.		
Lighting	15,050	
Markets and Slaughter houses ...	3,742	
Maintenance of avenues	440	
Public Parks	1,897	
Pounds	1,486	
Hackney carriages	2,329	
Prosecution	1,681	
Fire Engines	600	
Other charges	5,226	—Rs. 2,777 on account of charges as per statement attached.
Charitable grants	4,860	Being present sanctioned charges.
Acquisition of lands	1,049	
Supervision and Management.		
Salaries of officers	3,600	}
Head office	8,494	} Being present sanctioned charges.
Assessment and collection	12,228	}
Town duties	12,408	}
Pensions and Gratuities.		
Pensions and Gratuities.	1,180	
Total...	2,90,229	

RESIDENT'S OFFICE.

TELEGRAM.

16

[DRAFT.]—For approval.

Dated 31. January 1899.

Despatched —do—

From Bangalore

From 1st Asst R.C.

To Calcutta

To Foreign.

Demi Official. Reminder - Demi Official of 17th. his Report on Municipal Finances posted. —

31/1.

OFFICIAL INSTRUCTIONS.

D. S.